



HOUSING ALLOWANCE POLICY

Date Approved:	
Date Implemented:	

1. PURPOSE

The Housing Allowance is to assist employees with their recurring (monthly) costs of their accommodation. The Housing Allowance is intended to assist employees to get access to owned accommodation.

The Housing Allowance payable in terms of this Scheme is a monthly non-pensionable allowance.

2. SCOPE OF APPLICABILITY

The policy is applicable to all officials of the Ingwe Municipality who are appointed in terms of the Municipal Systems Act and who fall within the scope of Local Government Bargaining Council and those appointed on the fixed term contract (Section 57 employees).

3. DEFINITIONS

3.1. Unless the context indicates, any word or expression to which a meaning has been assigned in this policy bears that meaning, and-

“**immediate family**”, in respect of an employee means the employee’s-

- (a) spouse; and/or
- (b) dependent child(ren);

3.2 “**spouse**” means a person or persons registered with the Employer as the lawful husband or wife (wives) or life partner (including same sex life partner)

by the employee at the time of use of the benefit, worker compensation or work facility: Provided that an employee: -

- (a) may register all spouses entered into under customary or indigenous law with the Employer;
- (b) may register only one life partner at a time with the Employer;
(Note: In terms of the registration of only 'one life partner at a time' employees should be aware that if a new domestic partnership is established, i.e. replacement of one registered life partner with another, the onus is on the employee to terminate the registration of the previous life partner and follow the registration process in respect of the new life partner.)
- (c) who has (a) spouse(s) registered with the Employer in terms of the recognition of Customary Marriages Act, 1998 and the Marriages Act, 1961, may not register a life partner with the Employer;

4. REQUIREMENTS FOR ACCESSING THE HOUSING ALLOWANCE

4.1 ELIGIBILITY FOR EMPLOYEES

An employee appointed on a full time basis, i.e. permanent or on a fixed-term contract (temporary contractors are excluded) may receive a Housing Allowance if s/he meets the requirements regulating the payment of the said allowance.

- The Housing Allowance shall be paid-
- for **one home** only;
- for **one spouse** only if both spouses are in the employ of a municipality, unless for operational reasons they are **stationed in different magisterial districts** and occupy and maintain **two separate homes**; and
- To an employee should the spouse not be in receipt of any form of housing assistance.

5. HOUSING TENURE

An employee could either own (hereafter referred to as a home owner) a home to qualify for the Housing Allowance, provided that s/he meets all the other qualifying requirements set out in this determination.

5.1.1 Home Owner

The home in respect of which the employee applies for a Housing Allowance, must be registered in his/her name, whether alone or with his/her spouse. For this purpose the following tenure ships are recognised:

- a) Title deed. Ownership could be outright or freehold ownership and title deed is obtained when the ownership of the home is transferred into the buyer's name by a conveyancer who prepares and submits the necessary documents to the Deeds Office, where the property is then formally registered in the buyer's name.
- b) Permission to occupy State or Traditional Land (PTO). This category is de facto ownership in areas under the jurisdiction of traditional authorities, mainly in rural areas. A person obtains the permission from the traditional authority to utilise an allocated stand to construct a home on that stand. This permission is granted by means of the issuing of a PTO certificate. Different arrangements apply in the respective provinces.

6. OCCUPANCY OF THE HOME

The employee and/or her/his immediate family must occupy the home, in respect of which the Housing Allowance is paid, except if s/he or the immediate family cannot occupy the home temporarily for reasons beyond her/ his/their control.

- In respect of employees who receive a housing allowance in terms of the Housing Allowance Scheme, immediate family.

7. LOCATION OF THE HOME

The home in respect of which the employee receives the Housing Allowance subjected to clause 2.3 must be located within the borders of South Africa.

7.1 Bond/Home Loan Requirements

- a) An employee who wishes to access the Housing Allowance as a new home owner, must hold a bond/home loan at –
- b) a registered bank or any other financial institution approved by the SALGBC.
- c) the bond repayments are to be paid via stop order on the employees salary

7.2 Documentary Proof

An employee, who wishes to access the Housing Allowance Scheme, must submit the prescribed documentary proofs with his/her application for a Housing Allowance. Failure to do so or submitting incomplete/ invalid documentation may result in the delay/ refusal of the application.

8. VALUE OF THE HOUSING ALLOWANCE

8.1.1 Home Owners

- a) The maximum value of the Housing Allowance is based upon a maximum bond of R85 000.
- b) The South African Local Government will revise the maximum value of the Housing Allowance quarterly based on the weighed average interest rate levied by the five biggest financial institutions, as at the start of each quarter.

8.2 Validation Of Eligibility For The Housing Allowance

8.2.1 The decision-making process, whether to approve or decline an employee's application for a Housing Allowance, is supported by a simple validation process. This process comprise of two stages:

- a) **Stage 1:** The documents are verified and contents checked against certain significant features attributed to the documents to be submitted with the employee's application.
- b) **Stage 2:** The cross-checking of information across all the different documents, including the application.

8.2.2 The municipality may adapt these processes according to own internal administrative arrangements. In doing so it should be ensured that the activities described are carried out effectively and efficiently.

8.2.3 To expedite the decision-making process the municipality should authorize signated employee, preferably at the level of Director or Deputy-director or their nominees in Corporate Services/the Human Resources Unit or the like to consider and approve applications for the Housing Allowance.

9. GENERAL MEASURES

9.1 An employee is obliged to notify Corporate Services/ the Human Resource Unit each time in writing of any changes that affects his/her eligibility for the Housing Allowance.

9.2 If an employee sells her/his home the payment of the Housing Allowance will stop. The employee may re-apply for the Housing Allowance on the new home s/he purchases or rents.

9.3 If an employee fails to inform the Human Resources Unit of any changes affecting his/her eligibility of the Housing Allowance, the Human Resources Unit shall immediately stop the Housing Allowance and recover the monies,

which have been over-paid. The Human Resources Unit should consider instituting the disciplinary process, if necessary.

10. QUALIFYING AND END DATE

10.1 An employee shall start to receive his/her Housing Allowance on the employee’s pay date in the month s/he has submitted her/his signed application, including the correct documentary proof required.

10.2 The employee’s Housing Allowance will stop on the employee’s pay date in the month that s/he no longer meets the requirements of the Housing Allowance Scheme.

10.3 Calculation Formula Of The Home Owner Allowance Amount

10.3.1 Homeowner allowance will be calculated using the interests levied by the five biggest financial institutions. Calculations for each quarter will be published by the Bargaining Council.

11. COUNCIL APPROVAL AND EFFECTIVE DATE

Approval of Policy by Council and Effective date: -----

MUNICIPAL MANAGER

DATE

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