

RESIDENTIAL ALLOWANCE POLICY 2025/2026



APPROVED BY:

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MUNICIPAL MANAGER
DATE: 19/06/25

APPROVED BY:

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DATE: 19/06/2025

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1. BACKGROUND

Came into effects from 2015, to provide employees with benefit that will assist them with escalating cost of living.

2. PURPOSE OF POLICY

To assist employees with their recurring monthly costs of their accommodation

3. OBJECTIVE OF POLICY

To assist employees with their recurring monthly costs of their accommodation

4. SCOPE

This policy shall apply to all employees of the Mbhashe Local Municipality provided that those employees are not receiving any housing scheme from the municipality, except for the following employees; Municipal Manager and Senior Managers of Departments, and all other employees whose conditions of service are not determined in terms of SALGBC collective agreement.

5. POLICY DEFINITION

“Immediate family” in respect of an employee means the employees.

- i. Spouse, and or
- ii. Dependent child(ren)

“Spouse” means a person or persons registered with the Employer as the lawful husband or wife 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:

- i. May register all spouses entered under customary or indigenous law with the employer.
- ii. 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).

- iii. Who has spouse(s) registered with 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.

6. LEGISLATIVE FRAMEWORK

- ❖ Constitution Act 108 of 1996
- ❖ Basic Conditions of Employment Act
- ❖ Labour Relations Act

7. POLICY PROCEDURE

The employee applies and approval should be made by the Municipal Manager

8. GENERAL POLICY PROVISIONS

8.1 Purpose of the Residential Allowance

- a) An employee appointed on a full-time basis, i.e., permanent may receive a residential allowance if s/he meets the requirements regulating the payment of the said allowance.
- b) 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 occupies two separate homes or flats.
- c) An employee shall provide proof of residence or lease/ rental agreement from the landlord when logging his/her application.

8.2 Procedure to be followed in acquiring Residential Allowance

- a) An employee who wishes to access the residential allowance must submit the prescribed documentary proofs with his/her application for a residential allowance and failure to do so or submitting incomplete / invalid documentation may result in the delay/refusal of the application.
- b) An employee must also submit an application to Corporate Services for approval by the Municipal Manager.

8.3 Payment of Residential Allowance

- a) The residential allowance of R907,78 per month shall be paid to qualifying employees.
- b) The payment of the allowance is continued during periods of absence which is approved by the employer or suspension.

8.4 Compliance

- a) It is the responsibility of each employee to ensure that the application is submitted to Corporate Services for processing, and it then submit the correct applications to the Municipal Manager for approval.
- b) Employee shall be required to advise the Corporate Services Department in writing immediately once his/her personal circumstances change to such an extent that she/he may no longer qualify for residential allowance in accordance with these conditions.

9. PROCEDURES FOR IMPLEMENTING POLICY

The Municipality will apply this policy as outlined in section 8 of this policy.

10. POLICY REVIEWAL

The policy shall be reviewed annually.