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A Better Place for All

DR NKOSAZANA DLAMINI ZUMA LOCAL MUNICIPALITY

HOUSING ALLOWANCE: POLICY

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|------------------------|--------------------|
| Date Approved: | 21 MAY 2024 |
| Effective Date: | 2024-2025 |

1. PURPOSE

The Housing Allowance Policy 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 Dr Nkosazana Dlamini Zuma 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 54 & 56 employees).

3. DEFINITIONS

31. 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;

3.3 **“GAP MARKET EMPLOYEES”** are defined as employees whose income is regarded as too low to access Bank funded housing finance (Mortgage Finance), but too high to qualify for the National government’s free-basic Housing Scheme.

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 she/he meets the requirements regulating the payment of the said allowance.

- The Housing Allowance shall be paid as per the collective agreement

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 she/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 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 homeowner, 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 GAP MARKET EMPLOYEES

Gap Market Employees who earn a basic salary of **R 9000, 00** per month or less and who do not own or receive any form of housing Allowance Assistance or any other Home Owner Allowance Scheme shall be paid a Non- non-pensionable allowance as per the Salaries and Wages Collective Agreement provided that only one benefit is paid per household.

8.2 Home Owners

- a) The maximum value of the Housing Allowance is based upon the collective agreement, as at 1st July of every financial year.

8.3 Validation Of Eligibility For The Housing Allowance

8.3.1 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 comprises 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.

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

8.3.3. To expedite the decision-making process the municipality should authorize signatories, preferably at the level of HOD or their nominees in Corporate Services to consider and approve applications for the Housing Allowance.

9. GENERAL MEASURES

9.1 An employee is obliged to notify Corporate Services 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.

9.3 If an employee fails to inform the Corporate Services of any changes affecting his/her eligibility of the Housing Allowance, the Corporate Services shall immediately stop the Housing Allowance and recover the monies, which have

been over-paid. Corporate Services 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: -----


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MUNICIPAL MANAGER

21 MAY 2024
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DATE