



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO PROVINCIAL TREASURY

DEPARTMENTAL RESETTLEMENT

POLICY

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1. PREAMBLE

The purpose of this policy is to:

- Provide guidelines where it is necessary to incur resettlement costs to facilitate an employee accepting employment with or transfer within the Limpopo Provincial Treasury;
- Ensure the consistent application of this benefit; and
- Provide guidelines on limits for expenditure on resettlement.

2. APPLICABLE LEGAL FRAMEWORK

This policy has been developed within the following applicable legal framework:

- Public Service Act, 1994 (Act no. 103 of 1994)
- Basic Conditions of Employment Act, 1997 (Act no. 75 of 1997)
- DPSA Financial Manual effective from 1 July 2006
- Public Service Regulations, 2001
- PSCBC Resolution No. 03 of 1999
- Labour Relations Act, 1995 (Act no. 66 of 1995)

According to the PSCBC Resolution 03 of 1999, Ch. XV, the Executive Authority has the power to:

- provide guidelines and set limits with regard to resettlement costs;
- set limits on expenditure; and
- set maximum periods of expenditure.

3. SCOPE OF POLICY APPLICATION

This policy applies to all employees, including employees on probation, of the Limpopo Provincial Treasury appointed in terms of the Public Service Act , 1994 (Act no 103 of 1994), with amendments. This policy does not apply to temporary, casual and fixed-term contract employees.

4. RESETTLEMENT BENEFITS

4.1 Eligibility

Employees appointed or transferred by the Limpopo Provincial Treasury are eligible under the following circumstances:

- the distance involved between the old residence and the new one is 100 kilometers and more.
- the employee is transferred on promotion.
- the appointment/transfer is initiated by the employer.
- the appointment/transfer is in the interest of the state.

4.2 Benefits Payable

Costs that may be paid by the Department on the appointment or transfer of an employee by the Limpopo Provincial Treasury are listed below.

4.2.1 Travel and subsistence

The employer may meet reasonable actual expenses that an employee incurs for travel and subsistence on the following occasions:

- The employee or a member of her/his immediate family will be allowed one trip to the new residence before the relocation of her/his entire family.

- The travel expenses of the employee and her/his immediate family to the new place of work.
- Where the journey from the old to the new place of residence takes 24 hours or longer the employee and her/his household may stay overnight in a three star hotel.

4.2.2 Transport

- If the employee and their immediate family members travel by air or land, the cost of the most economical fare will be paid.
- For employees and their immediate family members traveling by car the employer will pay the cost of driving one car for the most direct route between the previous and new permanent residence. Mileage is reimbursed at the rate approved by the Department of Transport.
- Parking and toll fees will also be paid.
- If members of the employee's immediate family remain in a school near the employee's former place of work, the employer may, for a maximum of one school year, cover the most economical reasonable mode of travel to the new place of work at the beginning and end of the school year and for school holidays. One return trip per child per official school holiday period may be paid for.
- Transport between the employee's interim accommodation and the place of work will not be paid.

4.2.3 Transportation and storage of household and personal effects

- The employer may meet the reasonable expenses for transporting, storage, packing and unpacking and insurance cover for household goods.
- The period for storage of personal effects will be limited to one month.
- Should a valid reason exist to extend this period, the employee can apply to extend storage to a maximum period of two months. Approval must be obtained before the end of the 1st month.
- Employees who wish to use this benefit must obtain three quotations from removal companies. The most economical quote will be approved. Insurance costs should be included in the quotation.

The Department will not pay for transport or storage of the following items:

- Motor vehicles, trailers, motorcycles, and motor scooters
- Boats, yachts, etc
- Building material
- Arm machinery
- Livestock
- Pets of any kind

4.2.4 Interim accommodation

- The employer will pay for accommodation at the employee's old residence while he/she waits for his/her household goods to be transported. The maximum period is two weeks.

- If the employee and his/her immediate family are forced to rent accommodation at the new place of work whilst the employee is looking for permanent accommodation, the employer may meet reasonable accommodation costs for a period of a month.
- In exceptional circumstances, where the employee cannot find permanent accommodation within one month, he/she can request an extension. A maximum period of three months paid accommodation may be granted.
- The Directorate: HRM will make arrangements for accommodation in a three star hotel as close to the workplace as possible.

Approved expenses whilst staying in hotel

The expenses that will be paid are:

- Accommodation and meals
- Washing, dry cleaning and laundry
- Parking
- Non-alcoholic beverages

The employer will not pay for the following expenses:

- Telephone calls
- Newspapers
- Tips
- Alcohol
- Room service
- Magazines
- Restricted movies

If an employee chooses not to stay in a hotel but rather with family or friends, a daily allowance for meals, accommodation and incidentals will be paid for a maximum period of one month. In exceptional circumstances, the period may be extended to three months. The daily allowance will be determined on an annual basis by the LPT taking the Departmental budget into account.

4.2.5 School books, uniforms and related costs

For each dependant school child of the employee who changes schools, the employer may make a once off payment as prescribed by the DPSA. The amount will cover costs of schoolbooks, uniforms, sports outfits and other related requirements.

The Minister for Public Service and Administration revises the amount on a quarterly basis in accordance with the Consumer Price Index (CPI) for clothing and footwear.

To claim the benefit mentioned above, the following documents must accompany the claim:

- A transfer letter from the previous school; and
- The child's report for the last term.

4.2.6 Expenses incurred in selling a home

This benefit applies only to employees that have been *transferred and who owned a home in his/her previous place of residence*.

- The employer may pay transfer costs arising from the purchase of a home or a building site and the erection of a home thereon. These costs include the cost of conveyancing of the property, mortgage costs, expenses arising from the sale and inspection costs.

- The re-imbursement can only take place after the home at the old place of residence has been sold.
- In cases where the transfer fees are included in a mortgage loan, the payment of funds will be made directly into the employee's mortgage loan account.
- Proof of expenses in the form of proof of payment or an invoice must accompany all requests.

4.2.7 Housing Allowance

The employee will continue to receive the existing, monthly housing allowance as reviewed from time to time by the Department of Public Service and Administration (DPSA).

4.2.8 Sundry Costs

The employer may pay the following amounts to meet incidental costs associated with establishing a new place of residence:

- 25 % of the employee's basic monthly salary on the date of resettlement, if the employee occupies furnished accommodation, or
- the employee's basic monthly salary on the date of resettlement, if an employee occupies unfurnished accommodation.

This amount is intended to cover costs for replacement of curtains, telephone, water and electricity connection.

4.3 Tax Implications

If the employee receives a resettlement amount totaling more than one month's basic salary for schoolbooks, related expenditure and other incidentals e.g. replacement of curtains, telephone, water and electricity connection, the amount in excess of the employee's basic salary will be taxable.

4.4 Privileges for New Appointees

- The employee shall agree in writing to repay the employer's expenditure for relocation if she or he should leave the public service in a year or less.
- Should the employee terminate service before completing one year's service from the date of receiving a resettlement benefit, for reasons other than ill health, death, retrenchment or retirement, the employee will repay the amount paid to her/him on a pro-rata basis.

4.5 Benefits Payable on Retirement

For employees who have been relocated by the state, the employer will pay reasonable costs on retirement to assist with the transportation of household goods and personal effects to the previous place of residence.

- In the case of an employee recruited in South Africa, the employer will pay for resettlement within SA.
- In the case of an employee recruited abroad, the employer will pay for resettlement to the employee's place of origin.

The Department will not pay cost for the transport of items mentioned in paragraph 4.2.3.

4.6 Benefits Payable on Death

The employer will pay reasonable actual cost of transporting home the remains of an employee who died on official duty away from her or his normal place of work.

4.7 Reimbursement of Expenses

All benefits associated with resettlement costs must be claimed within six months of appointment, transfer or retirement. Supporting documentation must always be attached to the claim.

5. POLICY CONTROL

5.1 Policy Audit

Annual audits will be conducted by the Directorate: Human Resource Management to ensure appropriate application and compliance with the Policy.

5.2 Policy Review

This policy is subject to annual review or when deemed necessary by the Limpopo Provincial Treasury, to ensure that it is aligned to prevailing legislation and market conditions.

5.3 Policy Amendments

No amendment(s) may be made to any section of this policy without such amendment(s) first being-

- consulted with recognised Employee Organisations; and
- duly approved and signed by the recognised parties to the Provincial Bargaining Council.

6. EFFECTIVE DATE

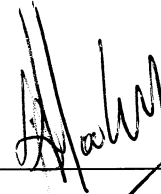
This policy will be applicable from 22 June 2007 (date).

7. RATIFICATION

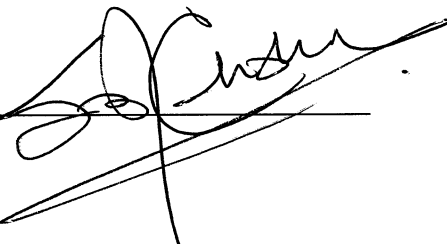
This policy was signed on the 22 (
day of) JUNE (month)

at POLOKWANE (place).

HEAD OF DEPARTMENT (HOD)

:  _____

MEMBER OF EXECUTIVE COUNCIL (MEC)

:  _____