



HOUSING SUBSIDY POLICY

Council Resolution No:

Date:

Municipal Manager:

Executive Mayor

Reference No:

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1. PREAMBLE

The Housing subsidy Policy is intended to assist employees of Overberg District Municipality in terms of housing ownership.

2. DEFINITIONS

All terminology of this policy shall bear the same meaning as in the applicable legislation. 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 children

“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:

- May register all spouses entered under customary or indigenous law with the Employer.
- 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.)

An employee 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. LEGAL FRAMEWORK

- Labour Relations Act 66 of 1995
- Basic Conditions of Employment Act 77 of 1997
- Main Collective Agreement 2007 – South African Local Government Bargaining Council (SALGBC)
- Municipal Finance Management Act 56 of 2003

4. SCOPE AND APPLICATION

This policy applies to all full-time/permanent employees of the Overberg District Municipality.

5. OBJECTIVES OF POLICY

The housing subsidy policy is introduced to assist employees with their recurring (monthly) costs of their accommodation. It is also intended to assist employees to get access to owned accommodation. The housing subsidy payable in terms of this policy, is a monthly non-pensionable allowance.

6. POLICY CONTENT

6.1 ADMINISTRATION OF HOUSING SUBSIDY

The Director: Corporate Services shall ensure the administration and implementation of the policy, and he/she or his/her assignee shall have the authority to conclude contracts in terms of this policy.

6.2 REQUIREMENTS FOR ACCESSING THE HOUSING SUBSIDY

6.2.1 Eligibility for employees

An employee appointed on a full-time/permanent basis may receive a housing subsidy if he/she meets the requirements regulating the payment of the said subsidy.

The housing subsidy shall be paid –

- for **one home** only,
- for **one spouse** only if both spouses are in the employ of a Municipality, and
- to an employee should the spouse not be in receipt of any form of housing assistance.

6.3 HOUSING TENURE

An employee **must** own (hereafter referred to as a homeowner) a home to qualify for the housing subsidy, provided that he/she meets all the qualifying requirements set out in this determination.

6.3.1 HOMEOWNER

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

- 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 document(s) to the Deeds Office, where the property is then formally registered in the buyer's name.

6.3.2 OCCUPANCY OF THE HOME

The employee must occupy the home, in respect of which the housing subsidy is paid, except if he/she cannot occupy the home temporarily for reasons beyond her/his control.

6.4 LOCATION OF THE HOME

The home in respect of which the employee receives the housing subsidy must be located within the borders of the Overberg District.

6.5 BOND/HOME LOAN REQUIREMENTS

An employee who wishes to access the housing subsidy/housing allowance as a new owner, must hold a bond/home loan at –

- 6.5.1 a registered bank or any other financial institution approved by the SALGBC.
- 6.5.2 the bond repayments are to be paid via stop order on the employee's salary.

6.6 DOCUMENTARY PROOF

An employee, who wish to access the housing subsidy scheme, must submit the prescribed documentary proof with his/her application for a housing subsidy. Failure to do so or submitting incomplete/invalid documentation may result in the delay/refusal of the application.

6.8 HOUSING SUBSIDY

As provided for in the Main Collective Agreement, the maximum allowance will increase at the same rate as the annual percentage increase which is agreed to from time to time by the parties to the SALGBC.

6.9 VALIDATION OF ELIGIBILITY FOR THE HOUSING SUBSIDY

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

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.

Stage 2:

The cross-checking of information across all the different documents, including the application.

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. To expedite the decision-making process, the municipality should authorise a designated employee, preferably at the level of Director or their nominees Director: Corporate Services and/or the Head: Human Resources.

Validation will be conducted on annual basis

6.10 GENERAL MEASURES

An employee is obliged to notify the Director: Corporate Services or the Department: Human Resources each time in writing of any changes that affects his/her eligibility for the housing subsidy.

If an employee sells his/her home, the payment of the housing subsidy will cease. The employee may re-apply for the housing subsidy on the new home he/she purchases. If an employee fails to inform the Department: Human Resources of any changes affecting his/her eligibility of the housing subsidy, the Department: Human Resource shall immediately stop the housing subsidy and recover the monies, which have been over-paid, and would consider instituting the disciplinary process, if necessary.

6.11 QUALIFICATION AND TERMINATION DATE

An employee shall start to receive his/her housing subsidy on the employee's pay date in the month he/she submitted his/her signed application, including the correct documentary proof required.

The employee's housing subsidy will stop on the employee's pay date in the month that she/he no longer meets the requirements of the housing subsidy.

6.12 CALCULATION OF THE HOUSING SUBSIDY

The calculation will be done by the salary office as per scribed.

7. EFFECTIVE DATE

This policy shall come into effect on the first date of the next month after the date Council adopt the policy and shall remain in full force and effect until it is reviewed, revoked, or amended by Council.

8. ANNEXURES

Annexure A - Housing Subsidy – General Information

Annexure B - Homeowner Allowance Subsidy Application Form

Annexure C - Approval of Homeowner Allowance Overberg District Municipality

Annexure D - Notice of Changed Circumstances which affect the Homeowner Subsidy

Annexure E - Affidavit of Home Ownership & Occupation

9. Roles

- All Councillors
- All Employees

10. COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the Municipality.

11. POLICY REVIEW

The policy will be reviewed and revised as necessary.

ANNEXURE A

Housing subsidy – General information

1. The homeowner's allowance will cease after expiry of the original term of redemption.
2. If the homeowner's allowance is linked to the compulsory instalment the allowance may decrease should interest rates drop.
3. No homeowner's allowance is paid on an additional payment
4. Any change in respect of the registered loan amount, term of redemption or compulsory instalment must be reported to the Department: Human Resources and verified with documentation.
5. The duration of the housing subsidy will not be more or longer than 20 years.

The following documents must accompany your application:

1. Water and electricity account of property in respect of which a subsidy is applied for.
2. Letter from registered financial institution indicating the instalment and mortgage bond.
3. Letter from an attorney indicating the following:
 - Purchase price of the property (purchase contract)
 - Date on which the property was registered in your name
4. Affidavit from husband/wife to confirm that he/she receives no subsidy.
5. Final settlement in respect of the previous mortgage bond

ANNEXURE B

**HOMEOWNER ALLOWANCE SUBSIDY
APPLICATION FORM**

PART A – to be completed by Applicant

I hereby apply for a Homeowner Allowance in respect of my mortgage loan.

1. Personal Particulars

Full Name and Surname: _____

Date of Birth: _____

Identity Number: _____

Designation: _____

Gender: _____

Marital Status: _____

If married, kindly indicate: _____

* Whether you are married in terms of the Marriage Act, customary or religious law.

* Where your spouse is employed _____ and

* Whether he/she receives a Homeowner Allowance in terms of his/her employment contract.

YES	NO
-----	----

The undermentioned are my Dependents who permanently reside with me in the dwelling:

First Name(s)	Surname	Relationship

My dependants and I have been residing in the dwelling since _____ 20____.

2. Particulars of Dwelling in respect of which Application for an Allowance is made

Description (indicate whether a: dwelling house, semi-detached house or flat):

Situated at: _____

Flat name and no.: _____

Suburb: _____ Town: _____

Province: _____

It is registered (indicate whichever is applicable with an X):

In my name _____

Jointly in my and my spouse's names _____

Jointly in my and _____ names

(If there is no marital relationship between the persons

It is constructed on tribal or state land in respect (which will lead to the acquisition of right of possession / property rights) but cannot be transferred since:

- Surveying and /or town establishment or the provision of sewerage etc., are not finalized; or
- I have not paid the required deposit on the purchase price in full; or
- the final purchase price of the property has not yet been finalized.

(Delete if not applicable)

The registered mortgage loan(s) on the dwelling:

Amount(s) To	At an Interest Rate of	/Have been Obtained From
	_____ %	
	_____ %	
	_____ %	

The mortgage loan(s) is/are subject to (a) redemption period(s):

	Each Commence(s/ed) on	Each Expired on
_____ Yrs	_____ 20 _____	_____ 20 _____
_____ Yrs	_____ 20 _____	_____ 20 _____
_____ Yrs	_____ 20 _____	_____ 20 _____

The **total** monthly amount payable to my mortgagee is the following: (see also the accompanying stop order) R _____ per month

Documentary proof of the particulars above, is attached.

3. Particulars of a Person who is officially obliged to occupy State Housing, but who has bought a Private Dwelling and who applies for the payment of a Home Owner Allowance in respect of said private dwelling

The state housing which I am officially obliged to occupy, is situated at:

The private dwelling which I have bought, is situated at:

I let the private dwelling at the following monthly rental, and I undertake to notify the Municipality immediately should there be any decrease or increase of the rent:

R _____ per month

4. Particulars of Another Private Dwelling (wherever located) apart from the Dwelling occupied by the Person

My spouse and/or (indicate whichever is applicable with X):

	At present owns another private dwelling (paid-off or not paid-off) which is registered in my spouse's and/or my name(s) and in respect of which my spouse and/or I previously (for any period) received an Allowance (or subsidy) on the basis (or a similar basis) of the Home Owner Allowance subsidy on the strength of service in a public service, a parastatal, a provincial administration or with a Council, institution or body established by or under a statutory provision; OR
	Have/has sold (now or earlier) another private dwelling (paid-off or not paid-off) which was registered in my spouse's and/or my name(s) and in respect of which my spouse and/or I previously (for any period) of the Home Owner Allowance subsidy on the strength of service in a public service, a parastatal, a provincial administration or with a Council, institution or body established by or under a statutory provision, for the amount of R_____ and utilized the said amount as follows:
	<p>_____ R _____</p> <p>_____ R _____</p>

		R _____
		R _____
		R _____
	TOTAL	R _____
	N.B.: The other dwelling referred to above which was sold, concerns only the last dwelling which was owned and in respect of which a Home Owner Allowance (or a housing subsidy) was paid.	
	A dwelling sold on the leasehold basis is not deemed to have been sold, since it is still registered in the name of the seller.	
	Is not in possession of another dwelling and did not sell one in the circumstances referred to above.	

5. Undertaking and Declaration

I acknowledge that I am aware of the contents of the Housing Subsidy of the Municipality.

I undertake, should my application for an allowance be approved, to notify the Human Resources Manager immediately in writing should any change occur in respect of the particulars which I have indicated on this form.

I realize and accept that, should it be established at any time that an allowance was or it to be paid while I did or did not qualify therefore or than an allowance has been paid to me for a period longer than the period for which I qualify, as a result of my having furnished erroneous information or concealed relevant information on purpose when completing this form or at any stage:

- Payment of the allowance to me will be suspended immediately.
- The amount paid/overpaid shall be recovered from me, and that if the amount is not recovered in one sum, but in monthly payments, interest will be charged on the outstanding amount at the standard rate from the date on which I was instructed in writing to repay the relevant amount, at the rate determined from time to time by the Minister of Finance: and
- I will not again come into consideration for an allowance

I hereby authorize the Municipality to obtain any information pertaining to the registered bond(s) on the property or any instalments and fees payout thereon from the financial institution(s) which granted such bond(s) to me.

Signed at _____ on this _____ day of _____ 20_____

Signature of Applicant

PART B – Departmental Use Only

Application: Approved / Not Approved
Amount of monthly allowance: R_____ per month
Allowance payable as from: _____
Allowance period expiry date: _____
Council Minute No.: _____ Date: _____
Reference: _____

Date

Manager: Human Resources

Annexure C

**HOMEOWNER ALLOWANCE SUBSIDY
APPROVAL OF HOMEOWNER ALLOWANCE
OVERBERG DISTRICT MUNICIPALITY**

Dear _____,

APPROVAL OF HOMEOWNER ALLOWANCE: PROPERTY SITUATED AT

I refer to your application in the above connection and have pleasure in advising that you have been granted a monthly housing allowance of R_____ will be paid to you with effect from _____ 20_____.

Your attention is drawn to the following:

- a) It is your responsibility to insure the property in respect of which the allowance is granted.
- b) You should inform me on the prescribed form of any changes to the monthly repayments on your bond so that the necessary adjustments may be made in the records of the Council and the correct monthly repayment made to the financial institution which granted you the bond;
- c) Before 31 March each year, you must provide me with a complete statement obtainable from the financial institution which granted you the bond setting out all payments made and the balance outstanding;
- d) Under no circumstances will the allowance be paid directly to you; and
- e) The Housing Allowance will be incorporated into your monthly instalment on your housing bond and paid directly to the financial institution which granted you the bond.

Yours faithfully,

MUNICIPAL MANAGER

HOMEOWNER ALLOWANCE SUBSIDY

NOTICE OF CHANGED CIRCUMSTANCES WHICH AFFECT THE HOMEOWNER ASUBSIDY

Part A – to be completed by Employee

Note: Delete the sections which are not applicable in section 2.

I hereby wish to report my changed circumstances as indicated below:

1. Personal Particulars

Full Name and Surname: _____

Date of Birth: _____

Identify Number: _____

Designation: _____

2. Changed Circumstances (please attached documentary proof of particulars)

2.1 I have obtained a further mortgage loan (e.g. 1st bond, 2nd bond, 3rd bond, etc.) to the amount of R _____ on the existing dwelling occupied by me, in order to effect the following immovable improvements/changes to the dwelling:

_____ R _____

_____ R _____

_____ R _____

_____ R _____

The above improvements were completed on: _____ 20_____

The above further mortgage loan is subject to a registered redemption period:

Of	Which Commences On	Which Expires On
_____ Yr.	_____ 20_____	_____ 20_____

The mortgagee has consolidated the mortgage loans on the dwelling occupied by me as follows:

Loan Amount & Rate of Interest	Obtained From	Redemption Period in years & the Date of Commencement
R _____ _____ %	_____ _____	_____ years _____ 20 _____

2.2 I have obtained an advantage on / reinstatement of my existing registered mortgage loan. The amount thereof is R _____.

2.3 The **total** amount payable monthly to my mortgagee is the following. See also the accompanying sop order: R _____ per month.

2.4 Apart from the following dwelling which I occupy and in respect of which a Home Owner subsidy is paid to me, my spouse and/or I have/has sold another dwelling (paid-off or not paid-off) which was registered in my spouse's and/or my name(s) and in respect of which my spouse and/or I previously (for any period) received an allowance (or subsidy) on the basis (or a similar basis) of the Home Owner Allowance subsidy on the strength of service in a public service, a parastatal, a provincial administration or with a Council, institution or body established by or under a statutory provision, for the amount of R _____ and utilized the said amount as follows:

_____	R _____
_____	R _____
_____	R _____
_____	R _____
_____	R _____
_____	R _____
TOTAL	R _____

N.B. The other dwelling referred to above which was sold, concerns only the last dwelling which was owned and respect of which an allowance (or housing subsidy) was paid.

A dwelling sold on the leasehold basis is not deemed to have been sold, since it is still registered in the name of the seller.

2.5 The mortgage loan(s) on the dwelling in respect of which a Homeowner Allowance was paid to me, was fully redeemed on _____ 20 _____.

2.6 My Spouse and/or I have/has sold the dwelling in respect of which a Homeowner subsidy is paid to me on _____ 20_____.

2.7 My dependents and I vacated the dwelling in respect of which a Homeowner subsidy is paid to me on _____ 20_____ and I therefore do not comply with the occupancy requirement anymore.

2.8 I will be absent with leave from _____ 20_____ to vacant the dwelling in respect of which a Homeowner subsidy is paid to me on _____ 20_____. The dwelling will be let from _____ 20_____.

2.9 My mortgage has reduced/increased the rate or interest on my mortgage loan(s) to _____ %. An amended stop order is attached.

2.10 My spouse and I were divorces on _____ 20_____ and since the said date I do not reside in the dwelling.

Signature of Employee

Date

PART B – Departmental Use Only

With effect from _____ 20_____ the Home Owner Allowance:
(Delete whichever is not applicable)

- a) Remains unchanged.
- b) Is decreased to R _____ per month;
- c) Is increased to R _____ per month;
- d) Ceases.

The Allowance period expiry date has changed and is now as follows:

_____ 20_____

Date

Manager: Human Resources

AFFIDAVIT OF HOME OWNERSHIP & OCCUPATION

I, _____,

Residing at _____,

Declare that:

Description of Property

I am presently the owner of property describe as;

Erf no: _____; Street address: _____;

Suburb/Town/City: _____; Postal Code: _____

Ownership *(To be confirmed by Financial Institution)*

The title to abovementioned property is in the name of, _____,

Original Bond Registration Date: _____, Bond account number: _____

Current Balance: R _____ Remaining Terms: _____ months

Signature: Financial Institution Official

Stamp: Financial Institution

I hereby declare that the above information is correct and that I qualify in terms of the Conditions of Employment for housing subsidy

Initials & Surname: _____

Employee Nr: _____

Signature: _____ Date: _____