

TO: THE VICE-CHANCELLOR, DEPUTY VICE-CHANCELLORS, REGISTRAR, EXECUTIVE DEANS, EXECUTIVE DIRECTORS, DIRECTORS, CAMPUS DIRECTORS AND HEADS OF ALL DIVISIONS AND DEPARTMENTS

AMENDMENT OF LOCAL TRAVEL AND SUBSISTENCE ALLOWANCE

The Minister of Finance has amended the taxation on local subsistence allowances, and those amendments are now being implemented by the South African Revenue Services (SARS). It is TUT policy to apply the tariffs stipulated by SARS. As from **1 March 2014**, the following tariffs and conditions will apply and be adhered to:

When the recipient of the allowance is obliged to spend at least one night away from his/her usual place of residence on business and the accommodation to which that allowance relates is in the Republic and the allowance is paid or is granted to pay –

- **for meals and incidental costs**, an amount of **R335** per day is deemed to have been expended, if the accommodation does not provide meals or only breakfast which includes SADAC countries (Angola, Botswana, DRC, Lesotho, Malawi, Mauritius, Namibia, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe & Seychelles);
- **for incidental costs only**, an amount of **R103** for each day which falls within the period concerned is deemed to have been expended ("incidental costs" means any beverages, private telephone calls, gratuities or room service) where the accommodation provides **all meals**.

The ruling on fringe benefits by the South African Revenue Services (SARS), as informed in February 2010 that TUT will stop all travel allowances and convert it back to a non-pensionable allowance in the salary system, still applies. Staff should take cognisance that to be able to claim business travel expenses, one should maintain a proper logbook.

Reimbursable travel allowance has been amended as follows:

- Staff will be reimbursed directly for the official use of their private vehicles at the new SARS rate of **R3,30 per kilometer** as from **1 March 2014**.
- Kilometer claims will still be paid as part of the sundry payments at the Creditors Department.
- Sundry payments are processed twice in a week, i.e. every Tuesday and Thursday.
- To claim, section 2.1 of the F100 needs to be completed and the distance travelled indicated as per summary log-sheet at the back of the form.
- Tollgate fees being claimed should be included on the same form and original slips be attached accordingly.
- The reimbursed travel claim will still appear on the salary slip even though the payment would have been received during that month. This would have no effect on the net salary.
- The value of such a claim will reflect on the individuals IRP5 at the end of the tax year as a non-taxable reimbursement.

To reduce administration and paperwork, staff members are requested to accumulate kilometers travelled and make a comprehensive claim per fortnight or once a month. **Claims older than 3 months will not be processed.**

Due to fund constraints, no budget extensions will be made. All claim procedures will remain the same.

For enquiries, please phone Vanessa van Graan (x5032) or Berna Mouton (x5063).

MR G MATTHEE
Chief Financial Officer

Date: 10 March 2014