Car Allowance Policy



This document outlines the options, allowances and choice of cars available to employees who are eligible to receive a _____ car or a Monthly Car Allowance and the responsibilities and actions required of the employee.

HR managers in any part of the country can adapt this Model Policy for use at their own workplace.

Purpose

The _____ may, at its discretion, provide a _____ car or a Monthly Car Allowance to employees whose principal duties require extensive business travel. The principal indicator will be the requirements of the job role but a review of needs will be carried out when an employee drives more than [X] business miles in a year. Once agreed, employees who require a _____ car or a Monthly Car Allowance will be defined as 'essential car users'. This classification will be reviewed annually and where an employee has reduced his/her mileage to below this level the company car/monthly car allowance will be reviewed and may be removed.

Measures

In each case, the _____ will consider the use of alternative transport modes, but if the annual mileage is [x] business kilometers or above these are likely. In considering the choice of _____ cars and setting the monthly car allowance, the _____ has included the following eligibility criteria for cars:

- environmental impact;
- safety;
- reliability;
- whole life costs
- security of _____ property kept/transported in the car

The choice of _____ car must be suitable and appropriate for business use and the _____ reserves the right to disqualify any car chosen by an employee that is considered unsuitable or impractical for business use.

Eligibility Criteria and Exemptions

Employees may not drive any business vehicles without prior approval of their supervisor. Prior to approving a driver and periodically thereafter, supervisors must

check the employee’s driving record. Employees approved to drive on company business are required to inform their supervisor of any changes that may affect either their legal or physical ability to drive or their continued insurability.