



Prince Albert Municipality

Indigent and Subsidy Support Policy

Table of Contents

Table of Contents	i
Definitions	ii
1. Subsidy	1
2. Household	1
3. Residence	1
4. Responsibility for payment of municipal service fees	1
5. Qualifications for the subsidy	1
6 Administrative procedure	7
7 Period of validity of subsidy	9
8 Destitute Support	10
9 Exemption of deposit changes	12
10 General	12
11 Review of Indigent Subsidy Support Policy	12
12 Title and Start Date	12
SECTION E – DECLARATION BY APPLICANT	15

Definitions

"Equitable share", for the purpose of this policy, means the part of national income paid over to the municipality annually that is mainly used for subsidising basic services;

"Child Headed Household" means a household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract for services and are considered as minors in the law by the state

"Household", for the purpose of this policy, means a family unit consisting of a family head and blood relatives, adopted dependents and other persons living on the same premises;

"Indigent households", for the purpose of this policy, means a household of which the joint monthly income, excluding allowances for children, foster care allowances and allowances for caretakers of frail persons where applicable, is equal to or less than R5 500 per month;

"Income", for the purpose of this policy means any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times (2X) the Government pension grant as prescribed by the National Department of Social Development or in line with the National Indigent Framework issued by the Department Local Government(DLG), which qualify according to the policy, for pensioners, the unemployed and child-headed families who are unable to fully meet the obligations for municipal services consumed and property taxes on their monthly accounts.

"Municipality", for the purpose of this policy, means the category B municipality instituted under the Constitution and the Local Government: Municipal Structures Act for the towns of Prince Albert, Leeu Gamka, Klaarstroom and the neighbouring rural areas;

"Old-age home", for the purpose of this policy, means an institution where elderly and disabled people are accommodated and none of the units is owned privately.

"Crèches, Day care Centres and ECD centres" for the purpose of this policy, day care refers to the care provided for infants and toddlers, pre-schoolers, and school-aged children in a centre based facility and is not subsidised by the government or are an NGO.

"No School Fees Hostels" For the purpose of this policy, means a government school which has a hostel for boarding for school pupils in the greater Prince Albert area and is subsidised by the government.

“Pensioner/s” for the purpose of this policy, are people that are retired and are 60 years or older, and earn an income while on retirement, from investment, pension contributions or an Old Age grant from the government

“Disable person/s” for the purpose of this policy, are people that are unable to conduct any form of work and earn an income in the form of disability pension while they were employed, or from the government.

DRAFT

1. Subsidy

Subsidies are received from external funds such as the "equitable shares" granted by the National Government to enable indigent households with a certain income limit to comply with their obligations with respect to the payment of municipal service fees.

2. Household

2.1 A household is a basic unit of individuals living together and sharing common living arrangements, typically residing in the same dwelling. Household members may include family members, such as parents, children, and extended relatives, as well as non-related individuals who live together and share domestic responsibilities.

3. Residence

3.1 Formal or informal residential units used exclusively for bona fide residential purposes.

3.2 Informal structures that are officially registered will qualify for participation.

4. Responsibility for payment of municipal service fees

4.1 Subsidies are granted only to households that are responsible for the payment of full municipal service fees, either in the formal or informal sector. Consumers of only electricity usage in backyard structures, for instance, are not included in this.

4.2 Subsidies are granted only by means of a credit on the monthly services bill to households that meet the indigent criteria (see clause 5.1).

4.3 The net monthly bill, as well as any agreed reimbursement amount with respect to debt, must be paid in full promptly before or on the 15th of each month; otherwise, the credit control policy of the Council will be applied.

5. Qualifications for the subsidy

5.1 Indigent cases

Only persons/households that meet the following criteria can qualify for financial assistance from the "equitable shares" for the subsidising of his/her services bill:

5.1.1 Qualifications for the subsidy:

5.1.2 A person/household that receives a monthly services bill from the Prince Albert Municipality.

5.1.3 The joint gross income of all the persons living on the particular premises may not exceed the amount R5 500, per month including boarding/rental amounts paid to the owners. For an Indigent subsidy the verified gross monthly income of owners of the dwelling over 18 years of age may not exceed the sum of R5 500 including boarding/rental amounts paid to the owners.

5.1.4 The state allowance with respect to children who are part of the household, foster care allowances and allowances for caretakers of frail persons are not taken into account in determining the gross income mentioned in clause 5.1.1.3 above.

5.1.5 Where an applicant owns more than one (1) fixed asset (property), the applicant will only be allowed to apply for subsidy for one fixed asset (property). The applicant must declare if the other fixed asset (property) is rented out and on the declaration state the rent income from the other fixed asset (property) with their application.

5.1.6 The applicant must occupy the property on a permanent basis, if not the applicant will be treated as a tenant and the benefit will only be applicable on the water and electricity.

5.1.7 The prescribed form "Application: Subsidy for Indigent Households" (form Indigent attached) must be properly completed and approved. This approval is based on the true financial need of the household.

5.1.2 Benefits approved indigent households will receive:

5.1.2.1 Water - first 6 kiloliters used (free).

5.1.2.2 Each registered indigent household shall receive water fully subsidized to a maximum of 6 Kiloliters per month,

- Where the consumption exceeds 6kl per month and the indigent consumer do not pay for its excess consumption in the 6kl per month, the municipality shall replace the conventional water meter with a prepaid smart water meter.
- Where excessive consumption is partly due to leakage the household should apply for rectification under 5.1.2.11 of this policy.

5.1.2.3 Water – 100% subsidy on the basic charge (free).

- 5.1.2.4 Electricity - first 50 Kwh used (free).
- 5.1.2.5 Property rates - 100% subsidy to a maximum total municipal value of R70 000
- 5.1.2.6 Refuse removal - 100% subsidy on 1 removal per week.

5.1.2.7 Each registered indigent household shall be fully subsidized for sanitation as provided for in the annual budget. Where an indigent household has a sewerage tank, only Basic charge will be granted free of charge per month.

5.1.2.8 Sewerage services - 100% subsidy.

5.1.2.9 The municipality will repair indigent household water leakages if the household has informed the municipality and provided that there is **adequate** funding in the operational budget. Once in a financial year, with impact on our revenue and water losses.

The municipality will repair/restore indigent household electricity connection or a faulty electricity meter if the electrical department confirm with the Revenue Section.

5.1.2.10 The municipality shall subsidise 100 Kwh of electricity to an approved indigent households/ pensioners household/disable household where a resident of the approved households is on a permanent oxygen life-support machine.

5.1.2.11 Unforeseen property expenditures

The Municipality may, upon its discretion and based the merit subsidise an indigent household in full for any unforeseen expenditure associated with:

- Water Leakages
- Faulty electricity meter excluding Eskom areas This benefit will be dealt with by municipal help desk

The cost of the unforeseen property expenditure will be reviewed by the Manager Revenue Management and authorised for payment by the Chief Financial Officer.

5.1.12 Assistance on arrears.

- Any first time indigent or verified indigent applicant for the new financial year qualifies for a write-off of all municipal debt outstanding on that

particular property, including the water deposit if outstanding.

- If the applicant is a tenant, the owner doesn't qualify for a write-off of all municipal debt but the tenant would rather qualify for the indigent support on water and electricity only and a new account will be opened for the tenant linked to the owner account- or erf number

An indigent account holder qualifies for a write-off if the arrears are linked to a water leakages and evidence of such a repair can be shown to municipality

5.2 Old-age homes are subsidised as follows:

A subsidy equal to the following:

- Conventional electricity meter usage subsidised with 20%
- Sewer levy subsidised with 20%
- Refuse removal levy - subsidised with 20%
- Water – first 6kl usage (free);
- Water – 100% subsidy on basic charge.

The subsidy is subject to the following:

- 5.2.1 Only old-age homes where the percentage of residents who receive an income equal to or less than the prevailing old-age state pension constitutes fifty percent of the residents, qualify for the abovementioned subsidy.
- 5.2.2 To qualify for the subsidy benefits, the old-age home is required to submit an application letter not later than the 25th day of June of every year, providing that it meets the requirements of clause 5.2.1.
- 5.2.3 If an Old Age home application is approved such old age home qualifies for a write-off on all outstanding debt if such debt on the municipal account exists.

5.3 Crèches, Day-care centers and ECD center's", in the Greater Prince Albert are subsidised as follows:

A subsidy equal to the following:

- Conventional Electricity usage subsidised with 20%
- Prepaid Electricity – first 50 Kwh usage for free.
- Sewer levy subsidised with 20%
- Refuse removal levy - subsidised with 20%
- Water – first 6kl usage (free)
- Water – 100% subsidy on basic charge.

The subsidy is subject to the following:

- 5.3.1 Only creche, Day-care or ECD center's where the monthly income receives equals to or less than R350 per child per month will qualify for the abovementioned subsidy.
- 5.3.2 To qualify for the subsidy benefits, the crèche, day care or ECD center is required to submit an application letter not later than the 25th day of June of every year, providing that it meets the requirements of clause 5.3.1
- 5.3.3 Bank statements and Operational Budget must be submitted with the application for the Prince Albert Municipality to evaluate the circumstances of the institution.
- 5.3.4 If a crèche, day care or ECD center application is approved such crèche, day care or ECD center qualifies for a write-off on all outstanding debt if such debt on the municipal account exists
- 5.3.5 The municipality will convert all crèches, day-care or ECD centers which has a credit conventional electricity/water to prepaid electricity/water meter free of charge.

5.4 Pensioners are subsidised as follow:

A subsidy equal to the following:

- First 6kl of water usage.
- Water – 100% subsidy on basic charge
- Rebate of 35% on the property rates of property.
- Subsidy of 50KwH electricity per month plus the electricity basic charge.
- Refuse removal - 100% subsidy on 1 removal per week
- Sewerage services - 100% subsidy (50 % of Septic Basic charges for households with Conservation tanks)

- 5.4.1 To qualify for the Pensioners, rebate the total household must earn an income equal or less than R162 000 per annum (R13 500 per month.)
- 5.4.2 The applicant must permanently occupy the property and where the applicant owns more than one property, the applicant is only allowed to apply for one (1) fixed asset (property) and the applicant must declare if the other fixed asset (property) is rented out and on the declaration state the rent income from the

other fixed asset (property) with their application.

5.4.3 A pensioner renting/leasing a premises qualifies for the first 6kl of water, water basic and 50KwH electricity, subject such pensioner meets the qualifying criteria as per clause 5.4.1

5.4.4 If a pensioner application is approved such account qualifies for a write-off on all outstanding debt if such debt on the municipal account exists

5.5 Disabled persons are subsidised as follow:

A subsidy equal to the following:

- First 6kl of water usage.
- Water – 100% subsidy on basic charge
- Rebate of 35% on the property rates of property.
- Subsidy of 50KwH electricity per month plus the electricity basic charge.
- Refuse removal - 100% subsidy on 1 removal per week
- Sewerage services - 100% subsidy (50 % of Septic Basic charges for households with Conservation tanks)

5.5.1 To qualify for the rebate the total household must earn an income equal or less than R162 000 annum (R13 500 per month).

5.5.2 The applicant must permanently occupy the property and where the applicant owns more than one property, the applicant is only allowed to apply for one (1) fixed asset (property) and the applicant must declare if the other fixed asset (property) is rented out and on the declaration state the rent income from the other fixed asset (property) with their application

5.5.3 A disable person renting/leasing a premises qualifies for the first 6kl of water, water basic and 50KwH electricity, subject such disable person meets the qualifying criteria as per clause 5.5.1.

5.5.4 If a disable persons application is approved such account qualifies for a write-off on all outstanding debt if such debt on the municipal account exists

5.6 No Fees School Hostels”, are subsidised as follows:

A subsidy equal to the following:

- Electricity usage subsidised with 10%
- Water – first 6kl usage (free)

- Water – 100% subsidy on basic charge.
- Sewer levy subsidised with 10%
- Refuse removal levy - subsidised with 10% The subsidy is subject to the following:

- 5.6.1 Only Hostels that are government owned property where the monthly income received equals to or less than R600 per child per month will qualify for the abovementioned subsidy.
- 5.6.2 To qualify for the subsidy benefits, the School Hostels is required to submit an application letter not later than the 25th day of June of every year, providing that it meets the requirements of clause 5.6.1.
- 5.6.3 Bank statements and Operational Budget must be submitted with the application for the Prince Albert Municipality to evaluate the circumstances of the institution.
- 5.6.4 Only one subsidy may be granted per residence or hostel.
- 5.6.5 From time to time, subsidies may be adjusted by means of a decision of the Council, in accordance with funds available for the purpose.
- 5.6.6 If a hostel's application is approved such hostel qualifies for a write-off on all outstanding debt if such debt on the municipal account exists

6 Administrative procedure

- 6.5 Residents must be made aware of the subsidy scheme by means of:
 - Ward meetings of Council members, during which Council members introduce the scheme on a regular basis;
 - Ward support officials
 - Notices on the official notice boards at all municipal offices;
 - Marketing by community development workers
 - Social media platforms
 - Municipal Website
 - Municipal Accounts
 - 6.6 Individual applications must be submitted on the prescribed form.
 - 6.7 The application process will commence from 01 May to 30 June each year.
- Prince Albert Municipality Indigent Subsidy Support Policy Final May 2025

- 6.8 Personnel will be utilised in the various residential areas to assist with completion of the application forms.
- 6.9 Completed indigent application forms may be submitted at any municipal office.
- 6.10 Applications will be verified and spot verifications will be conducted to ensure that the information provided on the application forms are still relevant and correct.
- 6.11 The various municipal offices must ensure that all completed applications reach the responsible official at head office at least the following day.
- 6.12 Application forms, approved by the Manager Revenue or his/her delegated person will be implemented with immediate effect on the pre-paid electricity system whilst it must be implemented on the financial system by the next billing cycle.
- 6.13 The approved subsidy will be credited against the beneficiary's account.
- 6.14 The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification to ensure that their circumstances have not changed to the effect that their subsidy is affected.
- 6.15 In the event of misrepresentation or any other violation of the subsidy rules, the subsidy will be discontinued immediately and not be reconsidered again for a period of at least 12 months.
- 6.16 Indigent households must ensure to apply for the indigent subsidy on or before 30 June each year to receive the full benefit for 12 months. Applications received after 30 June will be subsidized on a pro - rata basis.
- 6.17 Approved indigent households' debt will be written- off and such households will be placed on an auxiliary charge on electricity if such households default again on its municipal account, whereby a percentage money will be deducted from the electricity purchases, and transferred to the indigent's consumer account. Such percentage will be determined by the Municipal Manager, Chief Financial Officer or the Revenue Manager from time to time.
- 6.18 The municipality reserves the right and the Chief Financial Officer is authorised to liaise with the Director: Technical Services to replace the current conventional water and electricity meter with a prepaid water and electricity meter free of charge, in any instances.

- 6.19 All subsidy recipients will be subjected to a compulsory water management device installation.
- 6.20 All indigent households with first time tampering of the electricity connection, such households will be charged a penalty for tampering and will be placed on Auxiliary with a 50% collection percentage or a percentage decided by the Chief Financial Officer or his nominated delegate. If an indigent household tampers with the electricity connection for a second time such household will be liable to settle the balance of the first offence in full and settle the second fine also in full before electricity can be reconnected.
- 6.21 In cases where an indigent household house is destroyed in a fire, or any other natural disaster, the municipality will restore the services free of charge, subject to available funding.
- 6.22 Applications where there are residents staying at the property that are in service of the state, will not qualify for indigent support. This apply to whether the residents are renting or permanently staying at the property

7 Period of validity of subsidy

- 7.1 The subsidy will be terminated as soon as the beneficiary's financial circumstances have changed to the extent that it falls outside the set criteria.
- 7.2 If the circumstances have remained unchanged, a new application must be submitted immediately, and the application will be dealt with in the same way as the original application.
- 7.3 The onus rests upon the beneficiary to inform the Council as soon as his/her financial circumstances change or he/she vacates the premises.
- 7.4 The subsidy terminates immediately when the applicant passes away.
- 7.5 Termination of the Indigent support

Indigent Support will be terminated under the following circumstances

- 7.5.1 Death of account-holder
- 7.5.2 Upon application for de-registration as an indigent
- 7.5.3 Upon Sale of the property
- 7.5.4. When circumstance in the indigent household have improved in terms of a gross income exceeding the annual amount referred to in the definitions above.
- 7.5.5 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

- (a) All arrears will become payable immediately
- (b) Stringent credit control measures will apply: and
- (c) The applicant will not be eligible to apply for indigent support for a period of 12 months.

7.5.6 If in the case of a tenant, the indigent has evacuated the house and is not moving into another house. The tenant has to inform Prince Albert Municipality.

7.5.7 In the case of an owner or tenant the indigent family leaving the house temporarily for a period more than three months.

7.6 Moving of Indigent people

- (i) When an indigent family moves from one house to another the family has to inform the Municipality of the move by way of an affidavit. Then the administration will verify the account and original application of applicant.
- (ii) On all application forms indigent applicants should be informed that they have to report their movement to the Prince Albert Municipality
- (iii) When a non-indigent family moves into a house where free services were provided the indigent support for the previous occupant has to be stopped and a new application form needs to be filled in.
- (iv) If an indigent family leaves their house temporarily for more than 3 months their benefits cease and if the house is occupied by another indigent family, they have to complete a new application.
- (v) When a tenant indigent family moves out of a house, any debt that may occur after moving out will be on the account of the owner.

8 Exemption of deposit charges

- 9.1 In instances where the indigent household account holder dies, the remaining spouse or remaining child (over 18) is exempted from the required deposit charges when opening a new account for the indigent household.
- 9.2 Newly built low cost housing (RDP) where the household qualifies for the indigent subsidy is exempted from paying the required water deposit charge.

9 General

Borderline cases will be referred to the Masekhane Committee for approval after the social assessment has been done. This committee will consist of the chairperson of the Finance Committee, the ward councillors and two officials appointed by the Municipal Manager.

10 Review of Indigent Subsidy Support Policy

The Indigent Subsidy Support Policy must be reviewed on an annual basis together with the annual budget. It forms an integral part of the budget assumptions and any amendments must take into account the budgetary impact.

11 Title and Start Date

The policy will be referred to as the Indigent Subsidy Support Policy of Prince Albert Municipality which will come into effect on 01 July 2025

The following forms, of which examples are attached, must be used:

PRINCE ALBERT MUNICIPALITY

Application for Indigent Subsidy



INSTRUCTIONS:

1. The applicant must take note that the income of both breadwinners and/or contractual persons, with regard to the property for which application is made, must be declared.
2. In this application, the term “**income**” means all money received by the residents by means of salaries, wages, dividends and pensions.
3. Proof of income and allowances, as specified above, must accompany this application. Statements / affidavits made under oath will only be accepted in exceptional cases.

TYPE OF APPLICATION	NORMAL	PENSIONER	DISABILITY	CRECHES/DAY -CARE
	OLD-AGE HOMES	NO FEES SCHOOLS		

SECTION A – PARTICULARS OF ACCOUNT HOLDER												
SURNAME						FULL NAMES						
IDENTITY NR (HUSBAND)												
IDENTITY NR (WIFE)												
MARITAL STATUS	SINGLE		MARRIED		WIDOW		WIDOWER					
ERF NUMBER												
RESIDENTIAL ADDRESS												
									POSTAL CODE			
MUNICIPAL ACCOUNT												
PREPAID ELECTRICITY NUMBER												
CONTACT NUMBER(S)												

SECTION B – HOUSEHOLD INCOME					
NR	SURNAME AND INITIALS	IDENTITY NR	GROSS MONTHLY INCOME	SOURCE OF INCOME	PROOF ATTACHED (“YES / NO”)
1					
2					
3					
4					
5					
TOTAL HOUSEHOLD INCOME			R		

SECTION C – RESIDING CHILDREN (UNDER 18 YEARS OLD)			
NR	SURNAME	FIRST NAMES	IDENTITY NUMBER
1			
2			
3			
4			
5			
6			

SECTION D – DETAILS OF FIXED ASSETS			
NAME OF REGISTERED OWNER			
DO YOU OWN MORE THAN ONE HOUS?	YES		NO
IF “YES”, INDICATE ADDRESS			
IF YOU RENT YOUR CURRENT HOME, TO WHOM IS RENT PAYABLE?			

SECTION E – DECLARATION BY APPLICANT

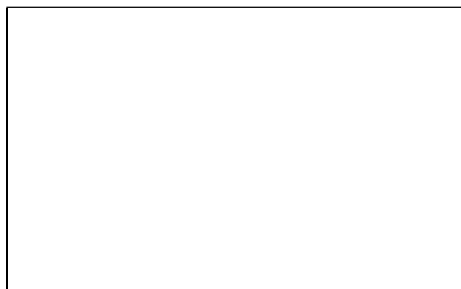
I, the undersigned, resident at the above-mentioned address, hereby apply for the indigent subsidy for my household as determined in terms of the above-mentioned furnished information, and solemnly state that:

- a) All information provided in this application, as well as the total gross income of the household / premises has been declared truly and to the best of my knowledge;
- b) Should any of the information as provided in this application change for some reason, I shall inform the municipality immediately about it.
- c) I am aware that any false statement or declaration made on this form is punishable by applicable legislation and will lead to the immediate disqualification of my indigent subsidy;
- d) In terms of the Indigent By-Laws of the Municipality, I give permission that the municipal offices may conduct an investigation locally or at any employer with the purpose to confirm the information provided in the application form.
- e) I realise and understand that, if it may be found that any of the information mentioned above is incorrect or false, I shall be responsible to pay back all discounts that I have received plus interest as explained in the Municipal By-Law.
- f) I or any other resident do not possess any fixed property;
- g) I am aware that the electricity supply to these premises can be suspended / disconnected if / while any amount due is in arrears;
- h) With regards to the above-mentioned stand for which I am applying for, for an Indigent Subsidy, I as the applicant hereby declare that the stand is registered in my name / I am the legal usufructuary and/or I am the sole heir of an estate / I am the tenant who occupies and manages the particular stand.
- i) The applicant also states that he/she fully understands and accept the stipulations and conditions of the Indigent By-Law of the municipality.
- j) I understand that if the property owner(s) mentioned in this application doesn't pay their monthly usage, that the authority vests in the municipality to install a water management device at the mentioned premises.

Signed at _____ on this _____ day of _____ 2024.

APPLICANT SIGNATURE

Sworn before me on this _____ day of _____ 2024.



Stamp - Commissioner of Oaths

DISCLAIMER – PROTECTION OF PERSONAL INFORMATION ACT (NR. 4 OF 2013)

We respect your right to privacy and therefore aim to ensure that we comply with the legal requirement of the POPI Act which regulates the manner in which we collect, process, store, share and destroy any personal information which you have provided to us. We will:

- a) treat your personal information as strictly confidential; and
- b) take appropriate steps measures to ensure that your personal information is kept secure and is protected against unauthorised or unlawful processing, accidental loss, destruction or damage, alteration, disclosure or access.

FOR OFFICE USE ONLY

SECTION F – SUPPORTING DOCUMENTATION AND VERIFICATION					
The following information / documentation must be attached and accompany the application:					
1	Certified copy of identity document of applicant	YES		NO	
2	If married, certified copy of identity document of spouse	YES		NO	
3	Certified copy/ies of identity document(s) over the age of 18, who resides on the premises.	YES		NO	
4	Certified copy/ies of identity document(s) or birth certificates under the age of 18, who resides on the premises.	YES		NO	
5	Proof of income / Affidavit of unemployment for persons over the age of 18.	YES		NO	
6	Certified copy of applicant's latest municipal account	YES		NO	
7	Certified copy of applicant's prepaid electricity card, or slip for latest purchase.	YES		NO	
Verification:					
1	Verification that the name of the applicant and name of the account holder agree / matches.	YES		NO	

CONDUCTING OF INTERVIEW			
Name of Official who conducted interview			
Signature		Date	
APPLICATION VERIFICATION			
Name of Official who verified application			
Signature		Date	
APPROVAL / REJECTION OF APPLICATION			
Status of Approval?	APPROVED		REJECTED
If "REJECTED", state reason why:			
Signature (Manager: Revenue)		Date	