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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

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Inquiries: (Please see Paragraph 10)
Ref: 1/6/21

TO ALL HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS

INTRODUCTION OF AN EMPLOYEE-INITIATED SEVERANCE PACKAGE FOR EMPLOYEES IN THE PUBLIC SERVICE

1. The Minister for the Public Service and Administration has with effect from 1 January 2006 in terms of section 3(3)(c) of the Public Service Act, 1994, as amended, issued a determination on the introduction of an employee-initiated severance package as set out in the attached self-explanatory document. This determination applies to employees appointed in terms of the *Public Service Act*, 1994, as amended and the *Correctional Services Act*, 1998, as amended.
2. The relevant executing authority or his or her delegate must consider all applications from employees for the employee-initiated severance package received by National and Provincial Departments. Where the relevant executing authority supports an application, comment must first be sought from the Minister for the Public Service and Administration **before** a final decision is taken.
3. With respect to the costs attached to the payment of the package, departments will be responsible for all costs attached to the package, except with regard to pension benefits and post retirement medical assistance in certain instances (paragraphs 6.4 and 7.4 of the determination) that will be paid by National Treasury (Pensions Administration).
4. As far as pension benefits are concerned, departments are alerted that they will be liable for any additional financial liability to the Government Employees Pension Fund that arises from the granting of the employee-initiated severance package and are therefore advised to obtain prior indication from the Fund about the pension costs attached to packages.
5. Please note that the granting of the package in terms of this determination **is not** subject to a condition that such employee may not accept or seek re-appointment in the public service.
6. In dealing with this matter, it would be important to minimise potential complaints/grievances among applicants for the severance package. This can be achieved through consistency in the approval/ re-

fusal of applications and by providing employees with adequate reasons in instances where applications are not approved.

7. Departments are requested to ensure that funds are set aside to assist employees that opt for the package, to undergo skills training. In this regard, and for social plan assistance, the local labour centres of the Department of Labour should be approached.
8. Departments are also requested to keep a proper record of the employees who apply for the severance package (biographical data) as well as the outcome of the applications, for reporting purposes.
9. For pension benefits and medical subsidy purposes, Departments are requested to use the attached application forms. The withdrawal form (Z102) and choice form should be completed with the necessary attachments i.e. banking details form (Z894), transfer to another approved fund form (Z1525), update personal particulars of member form (Z864) and state subsidised medical contribution (where applicable).
10. The following numbers should be used for enquiries that relate to the employee-initiated severance package;
 - 10.1 Enquiries related to applications for the severance package and procedures for considering applications: Ms N Fundani 012 314 7039
 - 10.2 Benefits payable with the exception of pension benefits: Ms C Mashile 012 314 7560.
 - 10.3 Pension Benefits (GEPF)
 - Enquiries from National and Provincial Departments: 012 319 1003
 - Employees who wish to make enquiries: 012 319 1000


DIRECTOR-GENERAL

DATE:

16/1/2006