TO ALL HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

(FOR ATTENTION: HEADS OF CORPORATE SERVICES, HR MANAGERS, CHIEF FINANCIAL OFFICERS)

INTERPRETATION OF SECTION 16(6) OF PUBLIC SERVICE ACT 1994, AS AMENDED BY ACT 30 OF 2007

1. It has come to the DPSA’s attention that departments and employees in the public service have different interpretation of section 16(6) of Public Service Act, 1994, as amended by Act 30 of 2007 which provides for retirement from the public service before reaching the age of 60 years.

2. Section 16(6) of Public Service Act 1994, as amended by Act 30 of 2007, provides that an executive authority may approve early retirement on request with full entitlement to pension benefits as in normal retirement.

3. Departments are advised that section 16(6) should be read with section 17(4) of the Government Employees Pension Law, 1996 which provides for payment of additional financial obligation to the GEPF in the event that the employer department approves the employee’s early retirement from the public service without reduction of pension benefits.

4. *In other words, section 16(6) allows the executive authority the discretion to approve early retirement without penalisation between age 55 and 60 years. However, departments should exercise restraint when approving such approvals as they remain fully responsible for the resultant liability to the GEPF when approving early retirement under this section.*

5. Further clarity can be sought by contacting Phopho Thwala at tel. (012) 336 1394.

[Signature]

DIRECTOR-GENERAL

DATE: 23/07/2008