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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

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TO: ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND
PROVINCIAL ADMINISTRATIONS

SUBJECT: UPDATE ON PHASE II OUTCOMES: INCENTIVISED EARLY RETIREMENT
PROGRAMME (SECTION 16(6) OF THE PUBLIC SERVICE ACT, 1994) AND VOLUNTARY EXIT
PROGRAMME (2026/27)

1. The National Treasury and the Department of Public Service and Administration (DPSA) have received numerous queries from departments and employees regarding the outcome of applications submitted under Phase II of the Early Retirement Programme (ERP) and the Voluntary Exit Programme (VEP).
2. Departments and eligible employees are advised that all applications are currently undergoing assessment by the National Treasury. Consequently, National Treasury aims to finalise and communicate the outcomes as part of the Medium-Term Budget Policy Statement (MTBPS) process to be tabled on 21 October 2026.
3. As previously outlined in the DPSA circular, employee exits under the ERP/VEP may only proceed once the necessary assessments and funding approvals by the National Treasury have been concluded. Please note the following regarding timelines:
 - 3.1 Departments may begin releasing approved employees as soon as they receive official funding approval from the National Treasury and in line with provisions outlined in the determination and directive on incentivized early retirement without pension penalties and the voluntary exit programme for employees in the public service.
 - 3.2 Therefore, departments and relevant employees are requested to await the outcome of the funding assessment before making any final arrangements regarding the implementation of approved applications. However, departments planning to fund the applications from their own baselines can proceed with implementation immediately after internal approvals have been granted by the relevant executive authority.

4. Further official communication will be issued to departments once the funding allocation process has been finalised.
5. For central funding support, enquiries must be directed to National Treasury at Email: ER_Funding_Info@treasury.gov.za

The following officials responsible for ERP and VEP at the DPSA may be contacted:

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Mr. Willie Vukela

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Date:

18/09/26