

## RETRENCHMENT / REDUNDANCY POLICY

An employee is retrenched from the Municipality if his/her services can no longer be retained due to operational requirements.

An employee is made redundant where the position is removed from the Municipal Organisation Structure. The same procedure/benefits that apply to retrenchment also apply to redundancy.

When reducing the number of employees, the Municipality will apply the Labour Relations Act.

Retrenched employees will work out their normal notice period (or be paid in lieu thereof) and will be paid out for items such as leave in the usual way.

An employee shall be entitled to a severance pay of Three (3) weeks' remuneration for each completed year of service capped to the equivalent of Nine (9) months remuneration, thereafter One (1) week's remuneration for every completed year of service.

Should any retrenched employee be re-instated at any future date and subsequently retrenched for a second time, the retrenchment package will exclude the original employment period prior to the first retrenchment.

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An employee who is subsequently re-employed on a fixed term contract after his/her normal retirement age will not qualify for retrenchment benefits.