

DRAFT POLICY – EXIT MANAGEMENT OF STAFF

Dated March 2022

Principles

Exit of staff from the organisation can be regarded as dismissal, resignation, unfit for duty, retirement or death.

The following processes are followed when staff exit the organisation:

Resignation

An employee must inform the employer in writing of his/her intention to resign.

An employee must give one month (30 calendar days) notice. If an employee gives shorter notice than the one month period, no money will be subtracted for the shorter notice. The one month notice will however assist the personnel office to finalise the termination procedures. It is however still the prerogative of the Municipal Manager to make a decision to accept / not accept the shorter notice period.

The following procedures will be followed by the personnel office:

The employee must be notified in writing that the resignation is approved.

The employee must be presented with a service certificate. The reason for termination of service may only be mentioned if the employee requests the employer to do so.

An exit interview with the employee will be conducted by the Personnel office.

During the discussion the employee will be informed of the following:

- No leave may be taken during the month of notice, if applicable.
- The employee must inform the employer in writing which option they prefer regarding the payments of retirement-/pension funds. Whether the employee wants their money to be transferred or paid in cash.
- If the employee has annual leave, it will be transferred into the employee's bank account on the last day of service.
- Payment of salary will take place on the last day of the month. (Not the 25th as usual)
- Payment of pro rata service bonus will take place on the last day of the month.
- The relevant retirement- / pension fund will make payment. The normal time period is 6 weeks. The retirement- / pension fund will calculate the tax on the relevant payment.
- No continuation of the employee's medical fund will take place. Funds must be informed if the employee resigns. All leave will be cleared to zero on the PROMUN system.

If an employee's resignation is approved and the employee decides to withdraw his/ her resignation, the Manager: Human Resources will inform the Municipal Manager in writing for a decision.

Dismissal

After being informed in writing that services will be terminated, the following procedures will be followed by the personnel office:

The employee must be provided with a service certificate. The reason for termination may only be mentioned if the employee requests the employer to do so.

The personnel officer informs the employee of the following:

- The employee must inform the employer in writing which option they prefer regarding the payments of retirement- / pension funds. Whether the employee wants the money to be transfer or paid in cash.
- If the employee has annual leave and pro rata bonus, the financial department must be informed so that the leave and pro rata bonus can be paid out.
- Payment of salary as calculated will take place on the day of dismissal.
- The relevant retirement- / pension fund will make payment. The normal time period is 6 weeks. The retirement- / pension fund will calculate the tax on the relevant payment.
- The employee will qualify for unemployment insurance and the UI19 forms will be completed.
- No continuation of the employee's medical fund will take place. Funds must be informed if the employee has been dismissed.
- All leave will be cleared to zero on the PROMUN system.

Retirement (Normal and Early)

At normal retirement (65 years) the employee will receive a letter from the employer well in advance to inform them of the retirement at the age of 65 years.

An exit interview with the employee will be conducted by the Personnel office.

During the discussion the employee will be informed of the following:

- No leave may be taken during the month of notice.
- The employee must inform the employer in writing which option they prefer regarding the payments of retirement- / pension funds. Whether the employee want the money to be transferred or paid in cash.
- If the employee has annual leave, a tax indication will be requested from SARS. When the indication is received back, funds will be transferred into the employee's bank account or paid by cheque. This will not take place on the last day of service.
- Payment of salary will take place on the last day of the month.
- Payment of pro-rata bonus will take place after the tax calculations are received from SARS.
- The relevant retirement- / pension fund will make payment. The normal time period is 6 weeks. The pension fund will calculate the tax on the relevant payment.
- The employee will qualify for unemployment insurance and the UI19 forms will be completed.
- Should the employee belong to a medical aid the employee must apply in writing to continue with the appropriate medical fund. It will be presented to the Municipal Manager for approval.
- All leave will be cleared to zero on the PROMUN system.
- The employee must be presented with a service certificate. The reason for termination of service may only be mentioned if the employee requests the employer to do so.

Medical unfit for duty

Should an employee be declared medically unfit for duty the following procedures will be followed:

- A date will be determined when the employee's services will be terminated if the persons have not already been out of service. The date will be determined according to circumstances. During this discussions, the employee and his/her union representative will be present.
- The employee must inform the employer in writing which option they prefer regarding the payments of retirement- /pension funds. Whether the employee wants the money to be transferred or paid in cash.
- If the employee has annual leave, a tax indication will be requested from SARS. When the indication is received back, funds will be transferred into the employee's bank account or paid by cheque. This will not take place on the last day of service. Form D must be completed.
- Payment of salary will take place on the last day of service as determined.
- Payment of pro-rata bonus will take place after the tax calculations are received from SARS.

- If the member belonged to a group scheme, arrangements must be made for payment from the appropriate scheme. Applicable Group Insurance schemes will terminate with termination (WECLOGA for previous Robertson employees and SANLAM for previous Ashton and Bonnievale employees).
- The relevant retirement- / pension fund will make payment. The normal time period is 6 weeks. The pension fund will calculate the tax on the relevant payment.
- The employee will qualify for unemployment insurance and the UI19 forms will be completed.
- Should the employee belong to a medical fund the employee must apply in writing to continue with the appropriate medical fund. It will be presented to the Municipal Manager for approval.
- The employee must be presented with a service certificate. The reason for termination of service may only be mentioned if the employee requests the employer to do so.
- All leave will be cleared to zero on the PROMUN system.

Death

If an employee passes away the personnel office will proceed as follow:

- The beneficiaries will be requested to visit the personnel office to complete administrative processes. A death certificate must be presented before proceedings can start. First the process of the funeral claim will be finalized and the claim forms will be completed and send to the applicable fund.
- If the employee had annual leave, a tax indication will be requested from SARS. When the indication is received back, funds will be transferred into the employee's bank account or paid by cheque.
- It will be arranged that payment of pro-rata bonus will take place up to the date of death.
- It will be arranged that applicable group insurance schemes make payouts. The necessary forms will be completed by the beneficiaries. (WECLOGA for previous Robertson employees and SANLAM for previous Ashton & Bonnievale employees)
- Forms will be completed to claim for funeral costs.
- The relevant retirement- / pension fund will make payment. The normal time period is 6 weeks. The retirement- / pension fund will calculate the tax on the relevant payment.
- Beneficiaries must be provided with a service certificate.
- All leave will be cleared to zero on the PROMUN system.
- The medical fund must be informed that the member has passed away.
- The relatives will qualify for the unemployment insurance and the UI19 and UI53 forms and the salary statements of the last six months will be send to the employee.

When the personnel office are informed of a termination, the Personnel office will inform the following people by sending an e-mail namely; Municipal Manager, relevant Director and Manager, Manager: Administrative Support; Manager: Income Services, Manager: Budget Office, Manager: Expenditure Services, Stores, IT department, Manager: Labour Relations, Salary department, HR Clerks, Performance Management, IDP and Data Management.

Medical funds rules for retired employees

In respect of medical aid, the Main Collective Agreement applies to employees only, and not to retired employees.

The ceiling that applies to employees does not apply to pensioners.

Pensioners do not have any automatic right to change funds after retirement and then to expect the municipality to pay a higher contribution than would have been the case had he or she remained with the same fund as at retirement.

The municipality is only responsible for the contribution and concomitant increases in respect of the fund of which he or she had been member at retirement. Municipalities are not obligated to permit retired employees to change funds. However, Langeberg Municipality allows retired employees to change funds.

The rules of the fund of which the employee had been a member at retirement will regulate after-retirement contributions for pensioners.



Only the retired employee and his spouse, if applicable, can receive the continued membership. Children is not part of continued membership.

NOTE: The personnel office will only provide a service certificate.

The employee will be informed at the exit interview of the following:

- The employee will inform the personnel office in writing what their choice will be regarding their pension;
- No leave must be taken during the employee's notice month;
- The leave of the employee will be paid into their bank account at the end of the month if tax calculations are not applicable;
- The employee's pension fund will pay their money into their bank account. It normally takes about six weeks. If a tax calculation is needed, the pension will only be paid after the tax number is received;
- Payment of the employee's salary will take place on the date of their termination (last working day);
- The employee's UI19 form will be send to them after termination. The employee must provide this information to the Department of Labour;
- At retirement and medical disability the employee can apply to continue with their medical fund. They must inform the personnel office of their decision beforehand.

CONFIDENTIAL EXIT INTERVIEW FORM

At the outset the staff member must be informed that the interview is confidential and that the staff member's name will not be attributed to the information provided.

Staff Member's Name:		Employee No.	
Department:		Post:	
Date of Interview:		Place:	
Interview conducted by:			
Designation:			
Date of Resignation:			
Last Day of Service:			
Tick	Reason for Exit	Tick	Reason for Exit
	Personal		Insufficient challenges
	Improved salary conditions		Inadequate support from management
	Lack of capacity for position		Poor communication/ relationship with superiors/colleagues/ subordinates
	Seeking better career advancement		Commuting difficulties
	Change in professional direction		Insufficient accommodation for specific needs
	Inadequate leadership or guidance		Unsatisfactory work environment
	Overloaded with responsibilities		Pay disparity
	Need to relocate/ emigrate		To avoid transfer
	To study full-time		To care for child/ children
	To care for elderly dependents		To retire early
	For personal/ family health reasons		Discrimination
	To avoid consequences of proposed or actual disciplinary action		Other
	Comments:		