



DRAFT STAFF RETENTION AND EXIT MANAGEMENT POLICY DIHLABENG LOCAL MUNICIPALITY

1. SCOPE

This Policy must, where applicable, be read together with relevant labour relations legislation, any Collective Agreement, the Employment Equity Act and Recruitment and Incapacity Policies. This Policy is applicable to all employees of Dihlabeng Local Municipality (DLM).

2. OBJECTIVES

- 2.1 To retain employees that have value, output and contribution that the DLM may find difficult to replace or that is unique to the DLM operations and therefore either irreplaceable or taking time to replace.
- 2.2 To provide for decent exit of identified employees, due to operational or Employment Equity imperatives.

3. POLICY GUIDELINE

- 3.1 The DLM recognises that it operates in a competitive world in terms of

remuneration and job security of its employees.

- 3.2 The DLM recognises that some of its employees represent value, output and contribution, which the DLM may not afford to lose to its employer competitors.
- 3.3 The DLM will endeavour to retain such employees if it is in its business and operational interest.
- 3.4 The DLM further recognises that it has operational and Employment Equity imperatives that may result either in the reduction of staff or employment of new staff.
- 3.5 In order to meet operational or Employment imperatives, the DLM may identify certain employees to qualify for exit from the DLM in terms of this policy.

4. RETENTION OF EMPLOYEES / CONDITIONS FOR RETENTION

- 4.1 The following are conditions that the DLM may consider to enable retention of employees in terms of this policy:
 - 4.1.1 Municipal Manager, specialised and senior operational / management staff whose strategic contribution and output cannot be lost or will take some time to replace; or
 - 4.1.2 Managers and staff who have unique contribution value and output to operations of the DLM and who are either irreplaceable or will take a long time to replace; or
 - 4.1.3 Technical staff whose skills and contribution is specialised and will take a long time to replace leading to negatively affect some

operations of the DLM; and

4.1.4 It is operationally in the best interest of the DLM to keep such employees.

5. OFFER TO RETAIN (PROCEDURE)

5.1 If the employee has resigned the employee's Line Manager may apply to the Municipal Manager for his retention.

5.2 The application for retention must be motivated and routed to executive management via the Director of Corporate Services.

5.3 The Director of Corporate Services will either recommend or decline to recommend such retention application. Municipal Manager will only consider an application for retention if it has been recommended by the Director Corporate Services.

5.4 Should Municipal Manager approve an application for retention, the Director Corporate Services will offer the employee retention on conditions approved by Municipal Manager.

5.5 Conditions for approval by management may relate to either one or more of the following:

5.5.1 Increased remuneration taking into consideration provisions of paragraph 3.4.2 of the Recruitment Policy (increases may not exceed 12 % of employee's current remuneration)

5.5.2 Promotion

5.5.3 Transfer to a different department

Status of offer of retention:

The offer of retention will be valid for a period of 15 days from the date of issue.

The offer for retention is made without prejudice to the DLM's rights. It may be withdrawn by the DLM, should it so decide any time before it implements the retention.

6. EXIT

6.1 The DLM may consider the early exit of its employees on one or more of the following conditions:

6.1.1 Employment Equity

6.1.2 Incompatibility

Exit Procedure:

The DLM may at anytime, identify employees who must be offered early exit from the DLM.

The Director of Corporate Services and the employee's Line Manager will prepare an offer for early exit, conduct consultations and conclude agreements with such employees.

Qualification:

Employees who qualify for early exit from the DLM are:

- Those who have reached age of early retirement in terms of applicable pension fund rules;
- Those the DLM has found to be incompatible to its business operations and

peoples' and cultural diversity;

- Those who in the opinion of the DLM are permanently ill but have been refused medical boarding by the applicable retirement fund; and
- Those that are beyond the age of retirement. It is compulsory unless otherwise agreed by Municipal Manager that these employees leave the service of the DLM if they have already reached retirement age.

Consideration for early exit:

- Employees who have reached early retirement age may be offered:
 - (i) early retirement in terms of retirement fund benefits and /or;
 - (ii) the benefits in terms of the Collective Agreement on Retrenchment; and / or;
 - (iii) outstanding leave payments
- Employees who are incompatible with the DLM may be offered:
 - (i) a lump sum of up to 12 months remuneration per exit; and
 - (ii) outstanding leave payment
 - (iii) a possible write off of the bursary refund due in terms of the Bursary fund
- Employees who are over the normal retirement age may be offered:
 - (i) a lump sum of up to 12 months remuneration
 - (ii) retirement benefits in terms of applicable pension fund rules; and
 - (iii) outstanding leave pay
- Employees who are permanently ill may be offered:
 - (i) a lump sum of up to 12 months remuneration provided that if they

have reached early retirement age, they qualify only for a package offered to persons who have reached early retirement age;

- (ii) retirement benefits for early retirement, if applicable; and
- (iii) outstanding leave pay

Offer of Exit:

The offer of exit by the DLM is not a retrenchment and should not be treated as unfair dismissal. Exit is by agreement between the DLM and its employees.

The DLM will offer exit without prejudice to its rights. It may withdraw its offer at any time before implementation of exit.

The exit offer is valid for 15 days from date of issue and may be re-issued by the DLM at its own discretion.

7. CONFIDENTIALITY IN RESPECT OF RETENTION AND EXIT

All discussions and agreements between the DLM and its employees in terms of this policy shall be treated confidentially.

8. ADMINISTRATIVE SUPPORT FOR RETENTION AND EXIT

The Human Resources Department will provide professional, administrative and implementation support for the successful retention and exit of staff.

9. AUTHORITY

Formulation Policy	:	Director Corporate Services
Authorisation Policy	:	Council
Ownership & Maintenance Manager	:	Human Resource Manager