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TERMINATION OF SERVICES POLICY

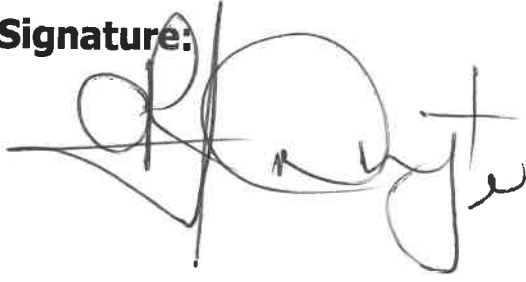
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1. PURPOSE

- 1.1 To ensure that a structured, standardized and correct approach and process are followed to ensure effective management and control of termination of service within Harry Gwala Development Agency.
- 1.2 To provide a framework for management of termination of employees' services within the Agency
- 1.3 To provide rules, regulations and procedures for transacting termination of services
- 1.4 To promote a culture of efficient and effective practices in respect of termination of service
- 1.5 To usher in measures of control, checks and balances in the management of termination of services.

2. APPLICATION OF THIS POLICY

- 2.1 The policy is applicable to all employees who are employed on a Permanent basis and Fixed Term Contract ("FTC") and those who report directly to the CEO.
- 2.2 This policy shall apply to non-permanent employees of the Agency
- 2.3 This policy shall apply to experiential training personnel of the Agency

3. LEGAL FRAMEWORK AND REQUIREMENTS

- 3.1 This policy is premised on the provisions and requirements of the Labour Relations Act("LRA") 66 of 1995 and the codes of good practice published in terms of the LRA.
- 3.2 This policy is also premised on the provisions and requirements of the BCEA-Basic Conditions of employment Act No, of 75 Of 1997
- 3.3 This is further premised on the provisions and requirements of the Individual Contract Of employment in so far as those terms and conditions of employment are not in contravention of the applicable labour laws of the Country

4. GROUNDS FOR TERMINATION OF SERVICES

4.1 An employee's service shall be terminated on the following grounds:

1. Death
2. Medical Boarding/incapacity on grounds of ill health
3. Dismissal/incapacity on grounds of poor performance.
4. Unsuccessful probation /non confirmation of employment after or during probation period.
5. Retrenchment/termination of services on grounds of operational requirements
6. Expiry of a contract of employment.
7. Section 197 of the Labour Relations Act No 66 of 1995 transfers
8. Voluntary Resignation.

5. GENERAL PROVISIONS FOR EFFECTING TERMINATION OF SERVICES

5.1 Death

1. Upon death of an employee; the CEO shall be notified by the family members or a staff member.
2. The CEO shall notify the Corporate Services Department of the death of an employee of the Agency.
3. A certified copy of a Death certificate shall be forwarded to the Human Resources Division.
4. The Human Resources Division shall have a direct liaison with the representative of the family of the deceased employee.
5. The Human Resources Division must determine the rightful beneficiary/ ies either by checking the nomination forms in the employee's personal file or obtain a Letter of Authority from the Magistrate.
6. The Human Resources Division shall process all relevant claim forms in co-operation with the rightful beneficiaries.

7. The Human Resources Division shall institute payment/s in lieu of annual leave days and other payable emoluments in favour of the nominated beneficiary.
8. In the event that there is no agreement or consensus over the beneficiary for the receipt of the deceased estate from the Agency the family of the deceased must approach the Court for a legal and a correct determination of the rightful beneficiary.
9. The fate of the deceased employee's estate pertaining to the pensions and other investments shall be dealt with in terms of the applicable laws of the country.

5.2 Medical Boarding/incapacity on grounds of ill health

1. The Medical Boarding and incapacity on grounds of ill health shall be dealt with in terms of the provisions of Schedule 8, item 10 and 11 of the Labour Relations Act No 66 of 1995.
2. The medical boarding or incapacity due to ill health shall also be dealt with in terms of the applicable Rules and regulations of the Retirement/Pension and Provident Fund.

5.3 Dismissal/incapacity on grounds of poor performance

1. Dismissal/incapacity on grounds of poor performance shall be dealt with in terms of the provisions of Schedule 8, item 1,2,3,4,5,6,7 and 9 of the Labour Relations Act, No 66 of 1995.
2. Dismissal/incapacity on grounds of poor performance shall also be dealt with in terms of the Collective Agreement on the Disciplinary Code.
3. Dismissal/incapacity on grounds of poor performance shall also be dealt with in terms of the performance management policy of the Agency.

5.4 Unsuccessful probation /non confirmation of employment after probation

1. Unsuccessful probation/non confirmation of employment after probation shall be dealt with in terms of the provisions of Schedule 8, item 8 of the Labour Relations Act, No 66 of 1995.
2. Unsuccessful probation/non confirmation of employment after probation shall also be dealt with in terms of the Employment Policy of the Agency.

5.5 Retrenchment/termination of services on grounds of operational requirements

1. Retrenchment/ termination of services on grounds of operational requirements shall be dealt with in terms of Section 189 of Labour Relations Act, No 66 of 1995.
2. This shall further be dealt with in terms of the applicable regulations of the pension/ provident/ retirement fund.
2. This shall further be dealt with in terms of the applicable regulations of the pension/ provident/ retirement fund.

5.6 Expiry of a contract of employment

1. Expiry of a contract of employment shall be dealt with in terms of Chapter 5, Section 36;37;38;39 and 40 of the Basic Conditions of Employment Act, No 75 of 1997.
2. This shall also be dealt with in terms of the requirements and the provisions of the employment contract itself.

5.7 Section 197 LRA transfers

1. Section 197 LRA transfers shall be dealt with in terms of Section 197 of the Labour relations Act, No. 66 of 1995

5.8 Voluntary Resignation

1. Voluntary Resignation shall be dealt with in terms of Chapter 5, Section 36; 37; 38;39;40 and 41 of the Basic Conditions of Employment Act No 75 of 1997
2. An employee will be required to serve a 30-day notice period preferably a calendar month as stipulated in the BCE Act or as stipulated in the fixed term contract.
3. An employee will not be allowed to take any annual leave during the notice period
4. Any accumulated time off shall not be taken during the notice period
5. By special arrangement the municipality and an employee may agree to a lesser notice period subject to agreed/non agreed upon penalties.

6. The affected employee must submit the letter of resignation to his/her manager and within 12 hours the Manager must forward the letter to the CEO.
7. The CEO or his/her Designee will acknowledge and accept/decline the resignation on the advice of the Manager concerned and Human Resources Division within a period of seven calendar days.
8. The CEO shall not unreasonably decline the voluntary resignation of an employee.
9. The CEO shall decline the resignation provided there are implications of a constructive dismissal in the notice of resignation.
10. The acceptance of the resignation shall constitute the binding agreement between the Agency and the employee
11. Should an employee whose notice of resignation has been declined fail to rectify his/her notice of resignation within seven calendar days after receipt of a notice of decline/refusal then the Agency will then accept his/her notice of resignation under protest.
12. The employee can withdraw his/her notice of resignation provided it has not yet been accepted or before the lapse of seven calendar days from the date of the notice whichever comes first.

6.GENERAL PROVISIONS FOR MANAGING TERMINATION OF SERVICE

- 6.1 The Human Resources Division will facilitate; manage and control the signing of the Exit Clearance Form for all employees whose services have been terminated.
- 6.2 The staff exit clearance form shall not be completed unless the following requirements have been met:
 1. All allocated office equipment and tools shall hand over before or on the last day of work.
 2. All outstanding debts due to the municipality must be settled on or before the last day of office.
 3. Repayment arrangements for huge debts must be entered into by and between the Agency and the employee before or on the last day of service.
 4. Submission and acknowledgement of a written handover to the immediate superior of the employee subject to exemption of employees who may not be required to submit a written handover report by virtue of the post they occupy.

5. Successful serving of the notice period in case of any employee who has resigned.
6. Successful conduct of an exit interview in case of any employee who has resigned
7. The Agency reserves the right to withhold any payment due to the employee until all requirements mentioned in Clauses No. 6.2.1 to 6.2.6 are met.

6.3 The normal emoluments of the employee whose services are due for termination will be paid on the payday of month namely:

1. Monthly salary
2. S&T claims where applicable
3. Contribution to benefits such as medical aid, pension, etc. Where applicable
4. The above payment will be subject to statutory deduction.

6.4 Additional amounts due will be paid on the last day of the termination month subject to meeting all terms and conditions of termination of services namely:

1. Gratuity (bonuses, long service awards, time off etc) (where applicable)
2. Accrued leave and time off due
3. Outstanding Performance Bonus
4. Outstanding annual bonus/pro rata annual bonus

5 Whatever emoluments which have not been paid on the last of service due to whatever reason will be paid to the employee on the following month of business

6.6 The employee's services will be fully terminated from the payroll system on the month following her last month of service subject compliance with the applicable South African Tax Laws.

7. GENERAL PROVISIONS IN RESPECT OF THIRD PARTIES

1. The Human Resources Division will advise all third parties about the employee concerned termination of service through forwarding the employee concerned certificate of service.
2. The Human Resources Division will facilitate the completion of UI19 form where applicable.
3. The Human Resources Division will issue the employee with the Certificate of Service on the last working day irrespective of whether it has been requested or not.

8. COMMENCEMENT OF THIS POLICY

8.1 This policy will come into effect on the date of adoption by the Council.