

GREAT KEI LOCAL MUNICIPALITY



EXIT POLICY

2015 / 16

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1. DEFINITIONS

Dismissal – refers to a situation where the employer terminates the employment relationship based on valid or fair reasons

Retrenchment – refers to a situation where the employer terminates the employment relationship due to the employer's operational requirements (economic, technological, structural or similar needs)

Resignation – refers to a situation where the employee terminates the employment relationship

Abscondment – refers to a situation where an employee willfully absents him/herself without notice, permission or valid reason and is regarded as a form of misconduct.

Effluxion of time – refers to a natural flow of time to the end

Exit Interview – a session convened with a separating employee to determine the reasons for separating

The Municipality – refers to the Great Kei Local Municipality

Passing of an employee – refers to the death of an employee

2. PURPOSE OF THE POLICY

2.1 Regulatory Framework

The policy seeks to fulfill some of the objects of the Labour Relations Act, 1995 (Act No 66 of 1998), which is the advancement of economic development, social justice, labour peace and the democratization of the workplace.

Chapter 5 of the Basic Conditions of Employment Act, 1997 (Act No 75 of 1997) regulates the termination of employment by either the employer or the employee

2.2 Description of the Issue

The municipality has been confronted with a challenge of managing the exit of employees, which sometimes resulted in exiting employees forfeiting their dues or the municipality losing out on its dues when employees leave without fulfilling the requirements of their letters of appointments. This necessitated the development of the policy as the regulatory framework thereto.

2.3 Objectives of the Policy

- (1) To inform ways in which the employment relationship can be terminated by both the employer and the employee;
- (2) To enable the municipality to determine why its employees are terminating the working relationship;
- (3) To help provide a harmonious termination of the employment relationship; and
- (4) To assist with the retention of knowledge and intellectual property

2.4 Scope of the Policy

The policy covers all employees of the municipality including the Municipal Manager and the employees appointed in terms of Section 57 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000)

3. LINK TO OTHER POLICIES

The policy links to the following policies:

- (1) The Recruitment and Selection Policy
- (2) Conditions of Service of the Municipality as bargained for in the SALGBC
- (3) Any agreements agreed to at the Local Labour Forum and adopted by Council

4. IMPLICATIONS OF THE POLICY

The policy is intended to ensure that there is a regulating framework with regard to employment termination so that there is peace and harmony in relation to employment relationship.

5. POLICY STATEMENTS

5.1 Operational Management of the Policy

The operational management of the policy rests with the Municipal Manager through the Directorate of Corporate Services

5.2 Termination of Employment by the Employer

5.2.1 Dismissal

It is the policy of the municipality that:

- (1) All dismissals shall be done in accordance with the Code of Good Practice as contained in Schedule 8 of the Labour Relations Act, 1995 (Act No 66 of 1995).
- (2) A dismissal of the municipal employee for misconduct is guided by the Code of Conduct for Employees as contained in the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000). According to the LRA an employer may legitimately dismiss an employee on one of the following grounds:
 - Misconduct
 - Incapacity
 - Operational Requirements

5.3 Termination of Employment by the Employee

5.3.1 Resignation

It is the policy of the municipality that:

- (1) An employee who wishes to resign from the municipality must give a notice of thereof in terms of their letters and/or contracts of employment.
- (2) In the event that the employee does not serve the required notice of resignation in terms of his or her letter and/or employment contract, he or she shall reimburse the municipality an amount equivalent to the notice period.
- (3) Such monies shall be recovered from the resigning employee's dues including leave gratuity, pension or any other monies that are due to be reimbursed on exiting of the employee
- (4) The resigning employee will pay all monies due for municipal rates and services or any other charges that may be owing to the municipality; and
- (5) The monies owed will be deducted from the amounts due to the employee resigning including leave gratuity, pension or any other monies that are due to be reimbursed to the employee.

5.3.2 Abscondment

It is the policy of the municipality that:

- (1) An employee who absents him/herself from duty without approved leave of absence or notice or valid reasons is regarded as having absconded;
- (2) Every effort is made by the responsible directorate to investigate the reasons for the absence before a conclusion is made that the employee has absconded

- (3) An employee who is deemed to have absconded is guilty of misconduct and the relevant steps in line with Disciplinary Code of the Municipality will be taken to deal with such misconduct.

5.4 Effluxion of Time

5.4.1 Expiry of a Fixed Term Contract

It is the policy of the Municipality that:

- (1) An employee appointed on a fixed-term contract will have their contracts terminated at the end of the contract period;
- (2) Extension may be considered on condition that the job requirements do not completely constitute new requirements, that the employee did not deliver outcomes in the original timescale, that there are clear operational grounds for extending the contract and that the employee's performance has been wholly satisfactory.
- (3) Such extension period shall not exceed a two years
- (4) the employee wishes to terminate the employment relationship before the agreed-upon date, he/she will give a notice period of 30 days in line with the letter or contract of employment and in terms of 5.3.1 of this policy
- (5) Clause (4) and (5) of this policy in respect to Resignations also applies to the termination due to completion of a fixed term contract

5.4.2 Death of an Employee

It is the policy of the Municipality that:

- (1) The death of an employee terminates the employment relationship
- (2) It is the responsibility of the Directorate whose employee has passed to communicate this to the Directorate of Corporate Services to ensure that the necessary administrative processes are undertaken
- (3) The municipality will make every to ensure that the terminal emoluments of the employee who has passed are paid as soon as is practically possible on receipt of the information in (2)
- (4) Clause (4) and (5) of this policy in respect to Resignations also applies to the termination due to death of an employee

5.4.3 Retirement Age

It is the policy of the municipality that:

- (1) An employee shall retire from the service of the municipality on the last day of the month in which he/she attains the age of 65 years
- (2) Employment beyond the age of 65 will only be permitted in exceptional circumstances where the employer can clearly demonstrate that the employee in question is the only person who can carry out the duties in question and that the employee is willing to extend his/her service
- (3) An employee stated in (2) above will be employed on a fixed term contract for a period of not more than 12 months at a time and for a maximum period of 2 years only
- (4) In exceptional cases, the Municipal Manager may approve a request for premature retirement, which is retirement at age below 55

6. MANAGING THE PROCESS (POLICY PROCEDURES)

6.1 Termination of Service by the Employer

6.1.1 Dismissal

- (1) The Code of Conduct as enshrined in the Local Government: Municipal systems Act, 2000 (Act No 32 of 2000), is applicable to all employees of the municipality;
- (2) The Disciplinary Procedure contained in the Disciplinary Code of the Municipality, applies to all the employees of the Municipality except those employed in terms of Section 57 of Act No 32 of 2000;
- (3) In the event that a dismissal is due to capacity and there is no procedure approved by the SALGBC or Council, Schedule 8 of the LRA (Code of Good Practice: Dismissal) will apply;

6.2 Termination of Service by the Employee

6.2.1 Resignation

- (1) A permanent employee of the municipality must give one month's written notice (or notice in terms of letter or contract of appointment);
- (2) The resignation letter must be submitted to the immediate superior of the employee resigning and a copy be forwarded to the Directorate of Corporate Services;

- (3) The Head of the Directorate of the resigning employee must within 24 hours of receiving the resignation letter contact the Directorate of Corporate Services to confirm their acceptance or not of the resignation;
- (4) Should it not be accepted negotiations with the resigning employee shall be entered in an attempt to retain him/her;
- (5) Should negotiations not be successful, the Directorate of Corporate Services shall process the resignation and advertise the position in line with the Recruitment and Selection Policy of the Municipality;
- (6) The Budget and Treasury Office shall be advised of any monies owed by the resigning employee in order for them to effect the deductions in terms of this policy.

6.2.2 Abscondment

- (1) The responsible directorate shall make every reasonable effort to make contact with an employee who absents him/herself without leave of absence or permission;
- (2) The normal Municipality's disciplinary procedures in dealing with misconduct shall apply.

6.3 Effluxion of Time

6.3.1 Death of an Employee

- (1) On receipt of the death certificate the Corporate Services shall process the termination of service of the employee who has passed on;
- (2) It is the responsibility of the directorate for which the employee works to notify in writing the Corporate Services Directorate of the passing of the employee within a reasonable time period to avoid payment of salary to a non-existent employee;
- (3) It is the responsibility of the directorate for which the employee works, in liaison with the Corporate Services to make the necessary arrangements for a memorial service (with the consent of the family);
- (4) The Municipality may assist with transportation arrangements for the members of the family to the venue of the memorial service, which will be 1 fifteen-sitter vehicle;
- (5) The Municipality shall arrange for a light meal for after the memorial service for the members of the family, which shall not exceed 15 people;

- (6) The Relevant Directorate shall make arrangements for 1 15-sitter vehicle to transport employees to the venue of the funeral;
- (7) Preference will be given to at least one employee who will be representing the employer at the funeral and one union representative and the remaining seats shall be reserved for the colleagues of the employee on a first-come first-served basis;
- (8) Should the number of employees who wish to attend the funeral exceeds the number of seats, those employees shall make their own transport arrangements and will pay from their own pockets;
- (9) Accommodation arrangements shall be at the expense of the employees attending the funeral, should this be necessary.

6.3.2 Expiration of a Fixed-Term Contract

- (1) The employment relationship is automatically terminated when the fixed-term contract comes to an end and therefore no notice is required from either party;
- (2) The Directorate of Corporate Services shall, however, issue out a reminder to the employee and the relevant directorate whose contract expires of such an occurrence;
- (3) Should there be a need for the renewal of the contract, the relevant directorate shall generate correspondence to the Corporate Services Directorate for the approval of the Municipal Manager;
- (4) Such a renewal shall be effective on the date of approval by the Municipal Manager or a date determined by the Municipal Manager (renewals will not be back-dated)
- (5) The Directorate of Corporate Services shall process the payment of terminal emoluments and assist the employee with the completion of the form to claim from the Unemployment Insurance Fund (UIF) and the Pension Fund, where applicable, should the contract not be renewed.

6.3.3 Retirement

- (1) Normal employee retirement from the Municipality takes place at the age of 65;
- (2) Early employee retirement is possible at the age of 55 to 59;
- (3) The Corporate Services Directorate shall advise employees who wish to take early retirement of the implications of such an action in terms of the effect on their pensions or their provident funds;

- (4) The retiring employee will give 30 days' notice of retirement to the Directorate for which he/she works and a copy will be sent to the Directorate Corporate Services with an endorsement of same from the relevant Head of Directorate;
- (5) Should the Directorate for which the employee works wishes to extend the period, it shall send a request to the Directorate Corporate Services for approval by the Municipal Manager;
- (6) Should the recommendation be accepted a contract shall be entered into with the retiring employee for a fixed term contract, which shall be in line with the requirements of this policy.
- (7) Should the recommendation be disapproved the Directorate of Corporate Services shall process the removal of the employee from the system.

6.4. Exit Questionnaire / Interviews

- (1) An employee who resigns, retires or whose contract comes to an end shall be asked to complete an exit questionnaire to assist the Municipality with the retention of its employees;
- (2) Provision will be made in the questionnaire where a departing employee may make any comment;
- (3) The departing employee may be requested to attend an exit interview where at least two members shall constitute the panel;
- (4) One member of the panel shall be nominated by the Corporate Services Directorate and one by the departing employee;
- (5) The findings of a general nature that arise from the exit interviews may be reported to the Executive Management;
- (6) Confidential or personal information may be reported to Municipal Manager by the panel members

7. APPROVAL OF THE POLICY

The approval of this policy rests with the Great Kei Local Council on the recommendations of the Mayor / Speaker.

8. IMPLEMENTATION OF THE POLICY

- (1) The policy will be communicated throughout the municipality by means of fliers and circulars. It will as well be posted on the Municipal Website for purposes for ease of accessibility by users;

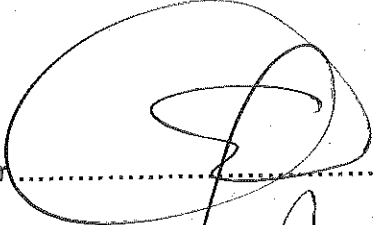
- (2) The policy will be signed-off by the Mayor / Speaker and the Municipal Manager as a commitment to its implementation and adherence thereto;
- (3) Successful implementation of this policy will be evidenced by effective and efficient administrative processes in relation to departing employees as well as fewer complaints from departing employees with regard to issues of terminal emoluments and notice periods.

9. POLICY AUDIT

Audits will be conducted on the policy annually to determine its impact in achieving the objectives it is set out to achieve as well as alignment to the process.

10. VIOLATION AND ENFORCEMENT

The violation of this policy may lead to disciplinary processes taken against the offender.

Signature of the Municipal Manager.....

Signature of the Mayor.....