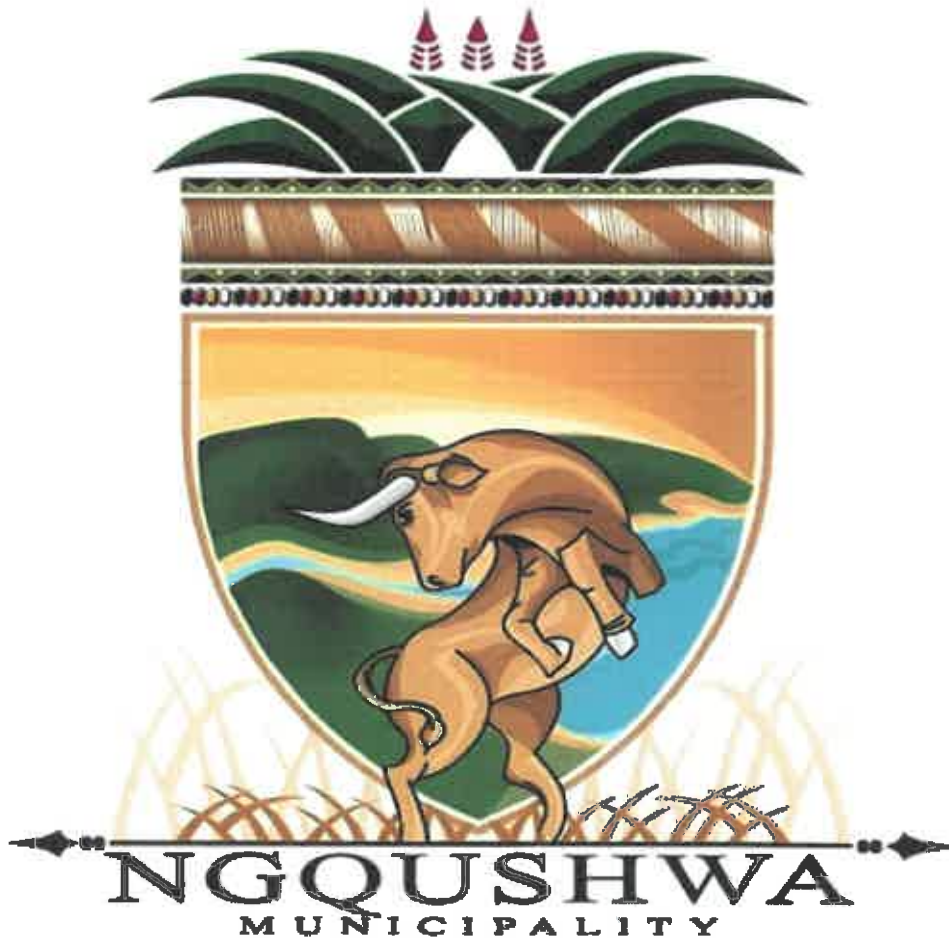


NGQUSHWA LOCAL
MUNICIPALITY



RETIREMENT POLICY
2022/2023

Summary

Publication Date	11 July 2022
Review Date	19 March 2022
Related Legislation/Applicable Section of Legislation	Municipal Offices Bearers Handbook
Related Policies, Procedures, Guidelines, Standards, Frameworks	Basic Condition of Employment Act, Collective Agreement, Municipal System Act, Employment Equity Act, Municipal Staff Regulations
Replaces/ Repeals (whichever is relevant, if any)	None
Policy Officer (Position)	<i>Director Corporate Services</i>
Policy Officer (Phone)	040 6732 081
Policy Sponsor (Position)	Mkhuseli Mxekezo
Department Responsible	Corporate Services
Unit responsible	Human Resources
Applies to	All staff and External candidates
Key Words	Retirement Policy
Status	Reviewed/ Amended
Council approval date	8 July 2022
Version	1

REVISION RECORD

Date	Version	Revision Description
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1. DEFINITIONS

Retire: means to stop working because retirement age has been reached.

Employee: means any person employed by the Municipality and receiving remuneration in turn for services provided;

The Council: means the Council of the Ngqushwa Local Municipality ;

The Municipality: means the Ngqushwa Local Municipality.

2. PREAMBLE

Section 187(2)(b) of the Labour Relations Act 66 of 1995 provides that a dismissal based on age is fair if the employee has reached normal or agreed retirement age for persons employed in that capacity. An organisation may therefore determine a normal or agreed retirement age. The Municipality has adopted a normal retirement age of 65 years for all employees but recognises the need to retain certain exceptional, highly skilled and productive staff, particularly those in scarce skill discipline beyond the age of sixty-five (65).

3. NAME OF POLICY

This is the Retirement Policy of the Ngqushwa Local Municipality

4. OBJECTIVES OF POLICY

The purpose of this policy is to set out a system for the administration and control of the retirement period of employees. The following legislation and bodies serve as a basis for the policy:

- Basic Conditions of Employment, Act No 75 of 1997
- Pension and Gratuity Funds
- Local Labour Forum

5. APPLICABILITY

The policy applies to all staff employed by the Municipality. The policy excludes contract staff members as these are catered for in terms of the contract agreement signed with the employer. The policy further excludes the Section 54A and 56 positions and Councillors of the Municipality.

6. POLICY PROVISION

6.1 General Conditions

6.1.1 It is compulsory for all employees of the Municipality to retire at the age of sixty-five (65) years. This is in line with the rules of the pension fund.

6.1.2 Early retirement is applicable when employee reaches the age of fifty-five (55) years. This is in line with the rules of the pension fund. Employees who wish to take early retirement must notify the Municipal Manager six (6) months prior to the retirement date.

6.2 Exceptional Circumstances

Employees are allowed to take early retirement before the regulated early retirement age (55). This is applicable under exceptional circumstances e.g., ill health, retrenchment, disability or operational reasons.

6.3 Re-Employment

In exceptional circumstances and the discretion of the Municipal Manager in consultation with Council, an Employee may have his/her employment extended past the normal retirement period (65 years) as a temporary employee following his/her retirement. The availability of work and general health and capabilities of the employee will be considered. In general these exceptional circumstances will either be:

- Related to his/her former position such as to train a replacement, to provide continuity through a major re-organisation, or to finish a specific project or
- Related to certain special projects/functions, which need certain specialised skills and expertise possessed by an Employee who is due for retirement.

7. PROCEDURE FOR EXTENSION OF EMPLOYMENT

7.1 A letter of appointment will be drawn up by the Human Resources with the Conditions of Employment attached. The letter of appointment will generally state the following:

- Terms of appointment that will be temporary and of a limited and fixed duration
- An outline of the work to be performed
- The remuneration attached to the work to be performed

7.2 If after assessing option for the post, it is confirmed that an extension beyond retirement is possible, the employee shall have to be assessed in terms of criteria in contained below:

- A sustained high level of performance by employee member. This assessment shall be based on the Annual Performance Reviews of the staff member once the Performance Management system has been implemented;
- Possession of specialised or scarce skills and qualifications that is difficult to replace through normal recruitment due to prevailing market factors;
- Key level of involvement in a major Council project where continuity is imperative for success;
- Evidence of continuing professional development and adaptability to new trends and developments in his/her field;
- Evidence of leadership within the operational unit;
- Evidence of innovation and customer orientation in performing duties

8. DURATION OF EXTENSION

The duration of the extension shall be determined taking into account the following:

- Major projects in which the employee has a key role and where continuity is essential;
- The maximum duration of the first extension beyond retirement is one year (1 year). Thereafter a new application is made for a further period of up to three years (3 years).

9. TERMS OF APPOINTMENT

9.1 Where there is no change in the workload and level of responsibility the employee shall retain his/her salary as at normal retirement date and shall remain on pensionable service subject to rules of the relevant retirement fund.

9.2 An Employee who have previously retired form a retirement fund and have been re-appointed on contract, may not be reinstated onto the Council retirement fund, unless the Fund agrees. This continuation must be agreed to between the relevant Employee and the Fund. If the Fund agrees, contributions from the Employee and the Employer shall continue as previously until the end of the contract employment of the Employee. In the event that the fund does not agree to any continuation, the Employee shall be granted an allowance equal to ten percent (10%) of basic salary from the effective date of this policy, for the balance of their post retirement contract period.

10. ROLE OF HUMAN RESOURCE

Human Resources must be responsible for the following:

- Liaison with the employee/s at least (6) months prior to the normal or early retirement date.
- Providing information to the employee/s on early retirement.
- Providing or arranging counselling to the employee/s on the termination of regular benefits and the availability of benefits for retired employees.

11. IMPLEMENTATION OF THE POLICY

11.1 All employees who are part of this policy in terms of its applicability above, Managers and Councillors will have to uphold the principles of this policy in terms of oversight and administration thereof.

11.2 Line Managers are responsible for managing their staff be on the alert for staff members who are reaching retirement age within the institution.

12. MONITORING AND ENFORCEMENT

All Heads of Department and Line Managers and Supervisors must ensure that these provisions are strictly complied with and it is also the duty of the employees themselves to see to it that the policy is adhered to and that any irregularity in terms of the procedure of this policy is brought to the attention of the Management.

13. REVIEW OF POLICY

Council may annually consider review and or amend this Policy, or as and when necessitated by National or Provincial legislation, or as directed by Council.


AS APPROVED BY COUNCIL ON July 2022 UNDER AGENDA ITEM NO 5.1



MUNICIPAL MANAGER

24/01/2023

DATE



MAYOR OBO COUNCIL

DATE