

EXIT MANAGEMENT AND TERMINATION POLICY

2025/2026 FY



APPROVED BY:

MR M NAKO
MUNICIPAL MANAGER
DATE: 19/06/25

APPROVED BY:

CLLR JANDA
EXECUTIVE MAYOR
DATE: 19/06/25

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1. BACKGROUND

An effective exit procedure not only ensures that the practical matters arising from an employee's resignation are dealt with efficiently, it also gives individuals an opportunity to provide feedback on their perceptions of the MLM as an employer

2. PURPOSE OF POLICY

- I. To help provide a harmonious termination of the employment relationship
- II. To conduct Exit interviews to enable the municipality to determine why its employees are termination the working relationship.
- III. To ensure that employees leaving the municipality do so in a manner that is not prejudicial to the municipality and also protect the municipality image as a reputable employer.
- IV. To assist the municipality in analysing exit trends and develop strategies to arrest labour turnover based on Exit Interview Results.
- V. To provide framework for all instances for termination of service within the Municipality.
- VI. To ensure that employee's services are terminated appropriately and in line with the best practices and legislation within the Municipality

3. Objective of Policy

To regulate the employee turnout within the municipality so as to apply remedial measures in addressing identified contributing factors

4. Scope

This policy applies to all employees of municipality and contracted employees.

5. Policy Definitions

All terminology used in this policy shall bear the same meaning as in the applicable legislation.

6. Legislative framework

- a) Basic Conditions of Employment Act, 75 of 1997
- b) Labour Relations Act, 66 of 1995 as amended
- c) Employment Equity Act 55 of 1998
- d) Municipal Systems Act, 2000 (Act No. 32 of 2000)
- e) Municipal Structures Act, 1998 (Act No. 117 of 1998)
- f) Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- g) South African Local Government Bargaining Council (SALGBC): Collective Agreements

7. Policy Procedure

7.1 Exit management

Key administration points

When staff leave voluntarily through resignation, have their appointment terminated or retire, the following principles form basis of the action to be taken:

- I. Employees are encouraged to provide an appropriate period of notice
- II. Preventing delays in the payment of salaries and other such payments requires prompt action by staff, line managers and Human Resource Management Office.
- III. Staff should make every effort, and be encouraged by line management not to take any annual leave once the process of leave gratuity calculation begins and during the notice period.
- IV. Payments of benefits to exiting employees should be expedited in line with the applicable legislative provisions and prescribed timelines to be strictly adhered to.
- V. Immediately, registry on receipt of resignation letters shall advise HR section
- VI. HR shall promptly advise ICT on any pending termination of employment

7.2 Exit Interviews

- I. Officials leaving the employment of Mphashe Local Municipality should be invited to take part in exit interviews. These should be entirely voluntary and confidential.

- II. Officials should be encouraged to discuss their working experience freely and frankly. In this way exit interviews can help identify problem areas within the workplace.
- III. The information generated in the interviews can be evaluated, used as remedial steps to correct identified challenges.
- IV. Though the results of the Exit Interviews, the employer can determine and analyse exit trends in the municipality and this will also assist in the retention of staff through practical remedial interventions in the identified problem areas.
- V. The reasons advanced by employees for the termination of services should be honestly and accurately recorded using Exit interviews form.

7.3 Roles and responsibilities

7.3.1 Line Managers

- I. Key role in the termination of contract of employment between the employer and the employee
- II. Responsible for the wellbeing of the subordinate as he serves as a mentor and give advice where necessary.
- III. Notifies HR in writing of the pending termination (resignation, dismissal, deaths etc...)
- IV. Failure to hand over all municipal property by terminated employee may lead to withhold of monies due to him/her.

7.3.2 Human Resource management

- I. Arrange and conduct Exit Interview in good time for exiting employees where practically possible.
- II. Ensures that all payment accruals to the municipality are paid and all due to the employee are timeously affected on the payroll System.
- III. Assist the exiting employee on the completion of the necessary documentation to expedite due payments to the employee.

7.3.3 Employee

- I. Notify line manager and HR Section of the intended exit action in writing.

- II. Complete necessary documentation in full and accurately with the assistance of the HR Staff.
- III. Avails himself/herself for an Exit Interview
- IV. Hand over all municipal property to his line manager/ supervisor
- V. Make necessary payments arrangements for all monies due to the municipality before he/she leave.

7.3.4 Organized labour

Ensures a fair and transparent process of exit interview management by attending exit management meeting as observers.

7.3.5 Termination of employment services

7.3.5.1 Voluntary Resignation

- a) An employee may resign from the service of Municipality with or without stating any reason.
- b) A permanent employee shall give at least thirty (30) days' written notice of resignation.
- c) The Municipal Manager may approve other periods of notice of resignation in exceptional cases.

7.3.5.2 Termination by Mutual Agreement

- I. An employee's services may be terminated by mutual agreement between the employee and the Municipality.
- II. The employee and the Municipal Manager may agree on the period of notice.

7.4 Termination on Completion of Project or Condition of Employment

- i. An employee's services may be terminated on completion of a project where the employee was appointed as a temporary employee in terms



- of the limited duration of the project and / or employment agreement, or in fulfilment of a written stipulation in the conditions of employment.
- ii. The notice period is not applicable in this instance.

7.5 Retirement at Normal Retirement Age

- (i) An employee shall retire on pension at the end of the month in which the employee reaches retirement age established by the Municipality on the basis of collective agreements.
- (ii) Employees will retire at the age of 60 years.

7.6 Early Retirement

- I. An employee may retire earlier than normal retirement age in terms of the rules of the Retirement or Pension Fund of the Municipality.
- II. The reasons could vary from medical fitness, to exercising of choice provided in the Fund rules.
- III. Early retirement as a result of medical disability is subject to the terms and conditions of the relevant insurance policy or retirement fund applicable to the disability of the employee.

7.7 Incapacity due to ill-health

- I. An employee's services may be terminated due to ill-health on their part.
- II. The process shall be handled through the Municipality' policy on Incapacity due to ill-health

7.8 Incapacity due to poor performance

- I. An employee's services may be terminated due to the persistent poor performance on their part.

- II. The process shall be handled through the Municipality' policy on Incapacity due to poor performance.

7.9 Termination due to misconduct

- I. An employee's services may be terminated as a result of being found guilty of misconduct in terms of the code of conduct and ethics.
- II. The process shall be handled through SALGBC disciplinary procedure and code.

7.10 Matters for considering the application

In considering the application, the following shall, as a minimum, be taken into account:

- I. The impact of the employees' exit from the Municipality on its service delivery capabilities.
- II. The employee's competence and suitability for continued employment.
- III. The manner in which the employee's exit will support transformation and restructuring of the Municipality.
- IV. The specific reasons for the employee's request.
- V. If misconduct or incapacity due to poor performance proceedings are underway against the employee, the decision regarding their application shall be postponed until such proceedings have been finalised.
- VI. If the Municipal Manager does not approve the application, the employee shall, in writing, be informed that the application is not approved. The employee shall also be provided with adequate reasons for the decision and be informed of any right of review.
- VII. If the Municipal Manager approves the application, the employee shall be notified in writing of the decision and their exit from the Municipality shall take effect not later than two months after the date of such notice.

7.11 Compensation for medical benefits

- I. Employees aged 55 and older on the date of service termination who have been members of the registered medical scheme for the year ending with service termination and chose to continue to be members of a medical scheme, will qualify for continued employer contribution at the scale determined for active employees.

7.12 Contractual obligations:

Payments to third parties and other Municipality debt shall be recovered from retirement benefits, if employees do not make suitable arrangements to settle their debt.

7.13 Actions by the Municipality on Termination of Service

Upon termination of service, the Municipality, through the HRM -Unit, shall ensure the following are carried out:

7.13.1 Notice periods

- I. Any period of notice may not run concurrently with any period of leave by the employee.

7.14 Payment of leave credit

Upon termination of service for any reason all leave due to an employee shall be paid out to such employee and all retirement funds due shall be paid out in terms of the rules of such Retirement Fund unless the monies have been ceded to the Municipality by the employee, or the employee has authorised the Municipality to make deductions from such monies.

7.15 Payment of all monies due to employee

All monies due to an employee after termination of service shall be paid to the employee within three (3) months or as soon as possible after termination of service.

7.16 Recovery of debts from employee

On termination of service any debt of a employee to the Municipality shall be deducted from such employee's remuneration or any monies owed to the employee, if the employee signed an acknowledgement of debt in terms of the Basic Conditions of Employment Act, or by order of the court.

7.17 Roles and responsibilities

- I. The Municipal Manager or his / her delegate accept overall responsibility for the implementation and monitoring of the policy.
- II. The financial implications related to implementing this policy shall be qualified and quantified by Corporate Services Department.
- III. Each Senior Manager is responsible for monitoring trends of labour turnout in its department and raise alarm where necessary.

8 Procedure for implementing policy

This policy will be implemented as per the outlined procedure and reviewed on annual basis