

NWC
Annexure Four :
Retrenchment
Procedures

RETRENCHMENT

PROCEDURES

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AFRICAN NATIONAL CONGRESS
DRAFT RETRENCHMENT PROCEDURE

1. **THE OBJECTIVES OF THE PROCEDURE**

The intention and the purpose of this procedure is to set down principles and procedures which will govern the relationship between the ANC and staff members in terms of which various aspects relating to retrenchment will be regulated. This procedure should be read in conjunction with the ANC Conditions of Employment.

2. **DEFINITIONS**

"Retrenchment" means that for economic and organisational reasons the services of a staff member (s) are no longer required.

3. **PRINCIPLES**

The ANC and staff members subscribe to the universally accepted principles of fair retrenchment, which require that prior to retrenchment taking place the following steps must be undertaken:-

- 3.1 that consideration be given to possible ways of avoiding or minimising retrenchment.
- 3.2. that sufficient prior warning to, and negotiation with, both affected staff members and the Staff Forum takes place, and

3.3 that consistent, fair and compassionate criteria be applied to the selection of those staff members to be retrenched. such criteria being based on "last in first out".

3.4 The ANC shall endeavour to assist retrenched staff members with future work opportunities to alleviate the hardship they will face as unemployed workers.

4. PROCEDURE

4.1 Notice of Retrenchment

4.1.1 Where the possibility of retrenchment within the context of this procedure arises, the ANC will provide the affected staff members and the Staff Forum with reasonable notification thereof.

4.1.2 This notice will be given at least one month prior to the intended date of retrenchment or any earlier period should the ANC become aware of the circumstances requiring retrenchment.

4.1.3. At the stage of giving notice, the ANC shall supply the staff members and the Staff Forum with all information on which its view that it needs to retrench is based.

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4.1.4. This notice will include the following details:-

- 4.1.4.1 the reasons for the contemplated retrenchment:
- 4.1.4.2 the number and categories of staff members likely to be affected, the sections and department (s) from which they will be removed;
- 4.1.4.3 the period over which the retrenchments are likely to be carried out:
- 4.1.4.4 any steps already taken by the ANC to avoid retrenchments:
- 4.1.4.5 the ANC's assessment of the duration of its inability to provide work for staff members.

4.2 Avoidance of Retrenchment

- 4.2.1 It is accepted that changing economic and organisational circumstances can lead to retrenchment, the ANC will make every effort to avoid or limit possible retrenchment.

4.2.2 It is recognised that the ways of avoiding or limiting terminations will be influenced by several circumstances. The following alternatives will however be considered:-

- 4.2.2.1 employment of new staff members in job categories to be affected by retrenchment will stop and will only take place once the ANC has attempted to fill vacant positions from internal sources and where affected staff members either refuse transfers to vacant positions;
- 4.2.2.2 terminating the services of relevant temporary workers.
- 4.2.2.3 voluntary early retirement for staff members over 60 years of age with benefits projected to normal retirement age subject to such retirements resulting in the avoidance of the retrenchment of other staff members. In addition, job sharing schemes, short time and extended leave as means of avoiding or reducing the retrenchment:

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4.2.2.4 if vacancies are available elsewhere in the ANC (at regional level) staff members will be offered transfers to similarly graded positions in terms of a Transfer Procedure. If such vacancies are not available, affected staff members will be offered the opportunity to fill lower graded jobs, if available and will be paid as follows:-

- a) where a staff member drops one job category his/her salary will remain unchanged for a period of six (6) months from date of transfer.
- b) Where a staff member drops two job categories he/she will receive 50 % of his/her severance pay and will receive the new rate.
- c) Where a staff member drops three or more job categories he/she will receive his/her severance pay in full and will

be paid his/her old rate for two months whereafter he/she will receive the new rate.

4.2.25 the selection of employees for such transfers will be based on the "first in, first opportunity" principle.

4.3 Selection Criteria

4.3.1. If the measures outlined in 4.2. to avoid retrenchment fail, are impractical or are rejected by affected staff members then the staff members whose services are to be terminated will be selected on the "last in first out" (LIFO) principle taking account of the following considerations:-

4.3.1.1 the need to retain staff members with special skills and experience but there shall be full disclosure of information.

4.3.1.2 staff members who qualify and are willing to take early retirement; and

4.3.1.3 The LIFO principle may be applied along job categories.

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4.3.2. The ANC subject to clause 4.3.1. will select the staff members to be retrenched. Once the selection has been done but before the staff members are notified, details of selection will be referred to the Staff Forum.

The ANC shall supply the Staff Forum with the dates of engagement of staff members as well as other information necessary to ascertain whether the criteria in Para 4.3.1 has been complied with.

5. SEVERANCE COMPENSATION

5.1 Affected staff members will receive the following payments on retrenchment:-

- 5.1.1 salary due;
- 5.1.2 holiday bonus due;
- 5.1.3 accumulated leave pay;
- 5.1.4 Provident fund benefits,
- 5.1.5 1 month's notice pay, and
- 5.1.6 severance pay calculated at two week's pay for every year of service.

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6. COMPANY ASSISTANCE

The ANC will endeavour to assist retrenched employees as far as possible by:-

- 6.1 Liaising with other employees by advising them of surplus staff:
- 6.2 providing retrenched staff members with their UIF cards and assisting them in obtaining their benefits:
- 6.3 providing each retrenched staff member a certificate of service confirming the staff member's retrenchment; and
- 6.4 giving retrenched staff members during the notice period reasonable opportunity to seek employment elsewhere and to attend interviews;

7. RECALL PROVISIONS

- 7.1. Retrenched staff members will, provided suitable positions exist, be accorded priority should suitable vacancies arise.
- 7.2. A recalled staff member will be engaged at the current rate for the job.

- 7.3 Should suitable positions become vacant, the ANC will endeavour to contact retrenched staff members at their last known address.

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