



**Western Cape  
Government**  
Economic Development  
and Tourism



## **Retrenchment Information Guide:**

Building career resilience for unexpected job loss

# Introduction

As the economy ebbs and flows, employees, regardless of their skills and of how long they had been working, face the possibility of employment hurdles in their careers, such as unexpected job losses as a result of operational requirements.

The loss of a job is a difficult process wherever it takes place.

Such unexpected losses affect workers financially, mentally, emotionally and physically.

This information guide is intended to help workers who are facing or being affected by retrenchment and other forms of job losses, to deal with the impact thereof by providing practical advice.

The information will help you to:

- Know your rights
- Find financial and emotional help
- Consider your options for what to do with your redundancy payment
- Work out a budget to get you through
- Get tips when applying for a new job

## STEP 1: Take a moment to reflect

Losing a job can be difficult and emotionally tolling. On the day you receive the notice, you should give yourself time to absorb what has happened and deal with the initial human and emotional reaction to receiving such news.



It is important to understand why this has happened. Retrenchment, for example, is usually the last resort taken by organisations and business owners to keep their businesses going. Remember that the process does not in any way define you as a person or as an employee. It is important not to make any big decisions on the day you've been retrenched, and it is better to wait until the initial shock is over before taking any actions that you could later regret.

Share the news with your immediate family, only when you feel ready to do so. Always remember that your current state of employment does not define you.

Over the next few weeks you will have to reach out to people in your professional network and potential employers, but it is important you do so strategically and with a clear mind. Let them think of you as level headed, and someone that they would want to employ or work with again.

## STEP 2: Organise the basics

### Know what you're entitled to

The Basic Conditions of Employment Act requires that the employee must be given the appropriate notice and at least one week's pay per completed year of service. The retrenchment package – or 'package' for short – should also include pay-out of any leave owing. If you belong to a union, they should be able to give you additional support and advice. So be sure to be in contact with the shop steward at your work.

### Get copies of important documents

Make sure that you have copies, plus some certified copies, of important documents such as your ID and certificates of qualifications. Certification of documents can be done at a Police Station or Post Office at no charge. If you cannot find your documents, contact the authority or body that originally provided them, and plan to get new copies.



## Contact the Unemployment Insurance Fund (UIF)

Workers who become unemployed could in instances claim from the UIF. Workers must apply and will be paid at the labour centre of their choice. The claim should be submitted as soon as possible, and within 6 months of having stopped work. The sooner the claim is submitted the sooner you will be able to start receiving benefits. In most cases, you will be eligible for 12 months of unemployment assistance in the event that you are retrenched. You will need to go to your nearest Department of Labour with your ID, service certificate and 6 months' worth of payslips. You will also need to complete the UI-2.8 form (verifying your banking details) and the UI-19 form (to show that you are no longer employed).

More information and the relevant forms to start your claim are available here: <https://www.westerncape.gov.za/service/claiming-unemployment-insurance>

Details of Department of Labour, Labour Centres are included at the back of this guideline.

## Step 3: Review your finances

### Beware the temptation to spend the package

In some cases, the retrenchment package includes a pay out of the pension fund or provident fund. While it is important to pay off debt, the longer-term picture must also be considered.

### Contact your credit providers

It is important that you let your credit provider(s) know of the changes in your circumstances as soon as possible. This includes your bank, bond / mortgage lender, car finance company, health insurer, store card, landlord etc. Some credit agreements have insurance clauses (e.g. credit life insurance) which will pay a portion of your debt while you are seeking new employment. Creditors need to know about your situation for this type of discussion to happen. Even if you find that you do not



have such insurance in place, contacting your credit providers is a proactive action which could help you restructure debt payments to better manage your finance during this uncertain period.

### **Beware of the high cost of credit**

Look to pay off high interest credit such as credit cards and store cards. If left unattended, the cumulative debt could eat away at your savings.

### **It is very important to note that the first R 500 000 of your severance package will be tax-free**

After the initial R500 000, the next R 200 000 will be taxed at 18%, the next R 350 000 at 27% and anything more than R1 050 000 will be taxed at 36%. This scale is only available to you once in your lifetime. If it is used when you are retrenched, it can't be used again when you retire, and your retirement fund will be taxed as per normal tax guidelines.

### **Get your spending in order**

With a change in your income, it is important that you rethink your household budget. You will need to think which items are actually luxury items, and that you can do without. You need to think about your new financial situation taking into account your severance, benefits from UIF or other insurance and savings - which should only really be used as a last resort. In order to improve your financial literacy (understanding of how finances and credit work) and assist you in your financial planning, a booklet explaining this can be found here:



[https://www.westerncape.gov.za/assets/departments/agriculture/10016280ct\\_wc\\_g\\_financial\\_literacy\\_booklet-online.pdf](https://www.westerncape.gov.za/assets/departments/agriculture/10016280ct_wc_g_financial_literacy_booklet-online.pdf)

## Finding employment, start your own business or reskilling

There are three options that you can explore once you have sorted out your finances. You can:

- a) Find another job, and to do this, you will need to update your curriculum vitae (CV) and use various platforms to search for vacancies.
- b) Reskill or upskill by doing training courses
- c) Start your own business

## Step 4: Looking for a new job

### Update your CV

It may have been some time since you last updated your CV. An up-to-date CV (Curriculum Vitae), otherwise known as a résumé, will be needed to apply for a new job. Your CV will in most cases be your first contact with a prospective employer and should make a positive impression from the start. Your CV must be clear and comprehensive. There are various ways to write a CV, including CV building websites that allow you to input your information and create an attractive document.

For more information on creating a CV go here:

[www.westerncape.gov.za/jobs/how-to-create-a-cv](http://www.westerncape.gov.za/jobs/how-to-create-a-cv)

Here are some quick links to CV building websites:

- [www.fassetcareers.co.za/job-seekers/cv-builder.html](http://www.fassetcareers.co.za/job-seekers/cv-builder.html)
- [www.canva.com/en\\_in/create/resumes/](http://www.canva.com/en_in/create/resumes/)

### Where can I look for a job?

There are many online resources where companies look for prospective employees. Most services are free and allow you to build a profile that shows off your skills and experience. Examples of places to look for jobs online include:

- Career Junction ([www.careerjunction.co.za](http://www.careerjunction.co.za))
- Careers24 ([www.careers24.com](http://www.careers24.com))

- Google (<https://careers.google.com/jobs/>)
- Gumtree (<https://www.gumtree.co.za/>) – select <Jobs> category in <Western Cape>
- Harambee ([www.harambee.co.za](http://www.harambee.co.za)) (note age limit of 34)
- Indeed ([www.indeed.co.za](http://www.indeed.co.za))
- Job Mail ([www.jobmail.co.za](http://www.jobmail.co.za))
- Jobvine ([www.jobvine.co.za](http://www.jobvine.co.za))
- LinkedIn (<https://za.linkedin.com/jobs>)
- Pnet ([www.pnet.co.za](http://www.pnet.co.za))

For jobs in the public sector, you can visit sites including:

- City of Cape Town ([www.eservices.capetown.gov.za](http://www.eservices.capetown.gov.za))
- George Municipality (<http://www.george.gov.za/careers>)
- Knysna Municipality (<https://www.knysna.gov.za/live-here/careers>)
- Mossel Bay Municipality (<https://www.mosselbay.gov.za/job-opportunities>)
- Saldahna Bay Municipality (<https://sbm.gov.za/jobs/>)
- the Western Cape Provincial Government (<https://www.westerncape.gov.za/jobs>)
- the DPSA (<http://www.dpsa.gov.za/dpsa2g/vacancies.asp>),

You may also want to create a professional profile on LinkedIn ([www.linkedin.com](http://www.linkedin.com)), a career-focused social networking website specifically for employers and employees. LinkedIn can allow you to network with colleagues and friends you've interacted with in your career, as well as find potential new employers and job opportunities.

If you struggle to get on-line or have challenges getting the internet, then your nearest library should be able to give you limited free access to the internet.



## Register on Employment Services of South Africa (ESSA) website

ESSA is a service of Department of Labour, available to all South African citizens. All you have to do is register as a job seeker on the Public Employment Services (PES) system. Once you have registered and logged in to ESSA, you will be able to capture/edit your CV, search their database for opportunities and apply online for opportunities at no cost. Through your registered CV, the Department will help to match you to potential employers.

In order for the registration of work-seekers to be valid, unemployed citizens are required to provide information on their disability, marital and criminal status, equity group, indication of the work seeker status of employment, contact details, physical and postal address, school qualification and tertiary qualifications, and employment history.

The ESSA website can be found at: <https://essa.labour.gov.za/>

## Step 5: Reskilling or Upskilling

### Review your skills set

Take the opportunity to review your skills. These might be ones that you have used in the workplace, or outside of work. Ask colleagues, friends and family to critically review the skills that you have. You may also want to consider how to improve your skills or gain new skills that are important in the workplace.

### Consider acquiring new skills

You may find yourself with some extra time on your hands when you are between jobs. Using this time to learn something new or take an online course will be useful and make you more competitive when looking for a new job.

There are some websites that allow you to do courses online. Some offer free courses while others ask for a fee.



If you take a paid course, ensure you can afford the fee and consider your new temporary financial situation.

Some of these websites allow you to take online courses from universities around the world in topics ranging from engineering, to business or even science. Examples include EdX (an online non-profit platform) and Coursera (an online for-profit platform). Both allow you to take the course for free – although you won't receive a certificate OR you can pay a small fee and receive a certificate.

Access these platforms here: [www.edx.org](http://www.edx.org) and [www.coursera.org](http://www.coursera.org)

At some of the libraries in the Western Cape, there are also digital literacy courses that you could do. Go to your nearest library to see what is available.

## Step 6: Start your own business

### Using skills for self-employment

You can also consider self-employment as an entrepreneur. Research has shown that the most successful entrepreneurs tend to be those who have worked before, and there are many business owners who started their business because they were retrenched! But it is not easy to start your own business.

If you choose to take this path, you can sign up for a free account on the *JUMP for entrepreneurs* platform at [www.bizjump.co.za](http://www.bizjump.co.za) where you will find helpful information.



Also, the Western Cape Department of Economic Development and Tourism has developed a quick read guideline to help explain the basics. Think of it as an introductory A-Z from testing your idea to preparing the necessary documents. In addition, there is a database of resource contacts to assist you through the process, because small businesses are important to economic growth.

The guide is available here: <https://www.westerncape.gov.za/red-tape-reduction/our-guides-and-resources/starting-your-own-small-business>

## Step 7: Remember to look after yourself

It is natural to experience a lot of stress with retrenchment. Some practical things to consider are:

**Stay calm and professional:** While it will be natural to feel upset with your previous employer and bosses, focus on the future. The company may turn around and look to rehire workers.

**Remain positive:** A strong, positive attitude to finding work will greatly assist your journey to employment. Your prospective employer will notice this and be more inclined to hire you.



**Remain healthy:** Try to eat healthily and control drinking or use of drugs.

**Put a plan in place:** Make a timetable to deal with all your retrenchment, finalise matters with your employer, sign up with UIF and make arrangements with your credit providers etc. The second part of your plan should focus on the future with preparing your CV, posting online etc. Plan a daily routine to check for messages so that you can respond to queries from employers.

**Network:** Try to remain in contact with your former colleagues to hear about any new opportunities that come available. LinkedIn, WhatsApp and Facebook are social networking tools.

**Be patient:** It can be easy to become discouraged after some time without success, however it is important to continue your job search as new opportunities become available every day that were not available yesterday. Do not give up!

**Seek out help:** Organisations such as SADAG (the South African Depression and Anxiety Group ([www.sadag.org](http://www.sadag.org))) can assist. Faith based organisations such as your local may also offer support and advice.

# Additional Resources

Elements from this guideline have been drawn from the following sources. Their input is much appreciated. Please consult these sources for more detailed information:

- CareerJunction, *10 things you need to do RIGHT NOW if you're being retrenched*
- IOL, *Pay after retrenchment*, 8 November 2018
- SA Board for People Practices, *Fact Sheet: Employee Retrenchment: A necessary evil?* Number 2018/8, September 2018
- Sunday Times. *I got retrenched – now what?* July 2018
- Debt Busters, *What to do if you are retrenched?*

## More information on finances

The Western Cape Office of the Consumer Protector together with its strategic partners such as National Credit Regulator, Financial Sector Conduct Authority, Council for Medical Schemes, and Council for Debt Collectors, conduct workshops and information sessions to assist workers who are facing retrenchment to understand their rights and obligations regarding a debt owed. The Office of the Consumer Protector and its strategic partners can be contacted using the information below:

Office of the Consumer Protector: [Consumer.Protector@westerncape.gov.za](mailto:Consumer.Protector@westerncape.gov.za), 0800 007081

National Credit Regulator: [www.ncr.org.za](http://www.ncr.org.za), [info@ncr.org.za](mailto:info@ncr.org.za), 0860 627 627

The Council for Debt Collectors: [www.cfdc.org.za](http://www.cfdc.org.za) 012 804 9808/3402

The Council for Medical Schemes: [www.medicalschemes.com](http://www.medicalschemes.com) , [complaints@medicalschems.com](mailto:complaints@medicalschems.com) 0861 123 267

Financial Sector Conduct Authority: [www.fsca.co.za](http://www.fsca.co.za) , [info@fsca.co.za](mailto:info@fsca.co.za) , 080 020 2087/080 011 0443

The Department of Labour: [www.labour.gov.za](http://www.labour.gov.za) [wc.customercare@labour.gov.za](mailto:wc.customercare@labour.gov.za) , 021 441 8000

# Department of Labour Centres contact information

<b>Beaufort West</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	023 414 3427
<b>Fax Number(s):</b>	023 414 3425
<b>Street Address:</b>	No 4 Voortrekker Street, Beaufort West
<b>Postal Address:</b>	PO Box 346, Beaufort West, 6970
<b>Email Address:</b>	<a href="mailto:Rina.vrensburg@labour.gov.za">Rina.vrensburg@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Bellville</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	021 941 7000
<b>Fax Number(s):</b>	021 941 7092
<b>Street Address:</b>	1st Floor, Middestad Mall, 20 Charl Malan Street, Bellville
<b>Postal Address:</b>	PO Box 1789, Bellville, 7535
<b>Email Address:</b>	<a href="mailto:Thozama.ngonyama@labour.gov.za">Thozama.ngonyama@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Cape Town</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	021 468 5500 / 021 468 5502/4
<b>Fax Number(s):</b>	021 468 5510
<b>Street Address:</b>	Thomas Boydell Building, 22 Parade Street, Cape Town
<b>Postal Address:</b>	PO Box 872, Cape Town, 8000
<b>Email Address:</b>	<a href="mailto:Bhele.Mzinyati@labour.gov.za">Bhele.Mzinyati@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>George</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.

<b>Telephone Number(s):</b>	044 801 1200
<b>Fax Number(s):</b>	044 801 1251
<b>Street Address:</b>	Labour Centre, 35 Albert Street, Albert, George
<b>Postal Address:</b>	Private Bag X6545, George, 6530
<b>Email Address:</b>	<a href="mailto:timoti.nyakaza@labour.gov.za">timoti.nyakaza@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Knysna</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	(044) 302 6800
<b>Fax Number(s):</b>	(044) 382 5159
<b>Street Address:</b>	Old Van Halderens Building, Clyde Street, Knysna
<b>Postal Address:</b>	PO Box 452, Knysna, 6570
<b>Email Address:</b>	<a href="mailto:Sarah.le-chat@labour.gov.za">Sarah.le-chat@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Mitchell's Plain</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	021 391 0591
<b>Fax Number(s):</b>	021 391 0761
<b>Street Address:</b>	Old Post Office Building, Polka Square, 7th Avenue, Town Centre, Mitchell's Plain
<b>Postal Address:</b>	PO Box 205, Mitchell's Plain, 7785
<b>Email Address:</b>	<a href="mailto:James.stigling@labour.gov.za">James.stigling@labour.gov.za</a> or <a href="mailto:orwc.customercare@labour.gov.za">orwc.customercare@labour.gov.za</a>
<b>Mossel Bay</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	044 691 1140/1
<b>Fax Number(s):</b>	044 691 1519
<b>Street Address:</b>	Shoprite Building, Cnr Marsh and Church Streets, Mosselbay
<b>Postal Address:</b>	PO Box 2538, Mosselbay, 6500
<b>Email Address:</b>	<a href="mailto:Gerhard.JansevRensburg@labour.gov.za">Gerhard.JansevRensburg@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Oudtshoorn</b>	

<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	044 203 6100/279 2386
<b>Fax Number(s):</b>	044 272 4804
<b>Street Address:</b>	13 Regent Street, Oudtshoorn
<b>Postal Address:</b>	PO Box 336, Oudtshoorn, 6620
<b>Email Address:</b>	<a href="mailto:edmund.fortuin@labour.gov.za">edmund.fortuin@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Paarl</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	021 872 2020 / 74
<b>Fax Number(s):</b>	021 872 6290
<b>Street Address:</b>	68 Breda Street, Paarl
<b>Postal Address:</b>	P.O. Box 24, Paarl, 7620
<b>Email Address:</b>	<a href="mailto:aziza.leitch@labour.gov.za">aziza.leitch@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Somerset West</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	021 852 6535
<b>Fax Number(s):</b>	021 851 4459
<b>Street Address:</b>	1 Standard Bank Building, 117 Main Road, Somerset West
<b>Postal Address:</b>	PO Box 404, Somerset West, 7130
<b>Email Address:</b>	<a href="mailto:Zulaigha.Smith@labour.gov.za">Zulaigha.Smith@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Vredenburg</b>	
<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	022 703 8100
<b>Fax Number(s):</b>	022 713 3416
<b>Street Address:</b>	85 Main Road, Vergelegenpark, Vredenburg
<b>Postal Address:</b>	Private Bag X16, Vredenburg, 7380
<b>Email Address:</b>	<a href="mailto:Roderick.coraizen@labour.gov.za">Roderick.coraizen@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>
<b>Worcester</b>	

<b>Operating Hours:</b>	07:30 to 16:00, Monday to Friday.
<b>Telephone Number(s):</b>	023 346 5200
<b>Fax Number(s):</b>	023 342 7507
<b>Street Address:</b>	90A Durban Street, Worcester
<b>Postal Address:</b>	PO Box 227, Worcester, 6850
<b>Email Address:</b>	<a href="mailto:tembekile.hoza@labour.gov.za">tembekile.hoza@labour.gov.za</a> or <a href="mailto:wc.customercare@labour.gov.za">wc.customercare@labour.gov.za</a>

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