basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

EDUCATION SECTOR POLICY ON INCENTIVISED EARLY RETIREMENT PROGRAMME (ERP) AND VOLUNTARY EXIT PROGRAMME (VEP)

This policy document adapts the Determination and Directive on the Incentivised Early Retirement Programme (Without Pension Penalties) and Voluntary Exit Programme for Employees in the Public Service to the context of the education sector, specifically applying to Educators.

1. Introduction

This Determination and Directive on the Incentivised Early Retirement Programme (ERP) and Voluntary Exit Programme (VEP) in the Public Service applies to:

- **ERP:** Early retirement approval for eligible employees in terms of Section 16(6) of the Public Service Act (PSA), (including educators appointed in terms of the Employment of Educators Act) without penalisation of pension benefits.
- **VEP:** Voluntary exit for employees who want to retire at ages 60 to 63 years, with an added financial incentive.

A special dispensation, approved following a Cabinet decision on 10 April 2024 and subsequent negotiations, provides for the implementation of early retirement without pension penalties for employees aged **55 to 59** and normal retirement with added financial incentives for employees aged **60 to 63**:

The Minister of Finance, in the 2024 Medium Term Budget Policy Statement (MTBPS) stated as follows:

> "Cabinet has approved an early retirement programme to reduce government employment costs while retaining critical skills and promoting the entry of younger talent into the public service. Accounting officers and executive authorities will have the authority to approve early

retirement applications that do not reduce the pool of highly skilled individuals within government agencies".

The authority to grant early retirement without pension penalties (ERP) vests in the relevant **Executive Authority (EA)** in terms of Section 16(6)(a) of the PSA or other sector legislation, provided sufficient reason exists for the retirement.

2. Legislative Mandate

The programme will be implemented in terms of in terms of section 16(6) (a) of the Public Service Act 1994, (Proclamation 103 of 1994) which states that "an executive authority may, at the request of an employee, allow him or her to retire from public service before reaching the age of 60 years, notwithstanding the absence of any reason for dismissal in terms of section 17(2), if sufficient reason exists for retirement".

Similarly, the Employment of Educators Act (EEA),1998, section 10 (3)(b) provides that " (b) Notwithstanding the absence of any reason for discharge in terms of section 11 (1), the employer may, at the request of an educator, allow the educator to retire before attaining the age of 55 years, if the employer is of the opinion-

(i) that a sufficient reason exists therefor; and

(ii) that the retirement will be to the advantage of the State. "

Although both pieces of legislation allow for consideration of retirement at any age, the early exit programme will be limited to employees who have reached the defined retirement ages of 55-63.

Although the Minister is not an "Executive Authority", as defined in the PSA nor the "employer" as defined in the EEA in relation to Provincial Education Departments, the Minister has the power in terms of section 4 of the EEA to give directives and determine on the implementation of the aspects related to the remuneration and other conditions of service related to educators.

3. Purpose and Applicability

3.1. This Determination and Directive is issued to support the ERP without penalisation of pension benefits and the VEP with added financial incentive to eligible employees.

3.2. To determine a policy directive extending the implementation of “public exit programme” as determined by the Minister of Public Service and Administration (MPSA) to the education sector.

3.3. To provide guidance to Executive Authorities/employers in the education sector on matters, including the criteria for processing the applications, considering the unique needs of the sector.

3.4. This policy must be read with the determination and directive issued by the MPSA. The policy directive will apply to all employees employed in terms of the Employment of Educators Act (EEA),1998, who meet the eligibility criteria as determined in this policy directive.

4. Eligibility

4.1. This policy applies to:

4.1.1. **ERP (Age 55 to 59):** Employees from the age of **55 to 59 years**, including **Educators** as defined in Section 1(v) of the Employment of Educators Act, 1998, shall be eligible to apply for the ERP, subject to other contextual conditions set by the Minister responsible for Educators.

4.1.2. **VEP (Age 60 to 63):** Employees aged **60 to 63** years are invited to apply for a ‘voluntary earlier exit’ (VEP).

4.2. Exclusions:

The following employees are **excluded** from applying for the ERP and VEP:

4.2.1. Those appointed on a **contract basis**.

4.2.2. Those appointed on a **temporary basis**.

4.2.3. Those who have or will have **less than ten years’ pensionable service** at the time of exit.

5. Financial Incentives

The financial incentive will be calculated using the date and age when the employee exits the Public Service.

In terms of section 16(6) of the PSA, the relevant EA or his/her delegated authority is empowered to, upon receipt of a request from such employees, approve ER applications without pension penalties, if sufficient reason exists for the retirement based on the applicable criteria.

The approval of any ERP application without pension penalties, in respect of employees from the ages of 55 to 59 years, shall be subject to the pension laws, applicable criteria and conditions determined by the employer and the availability of funding. Similarly, the approval of any VEP application, in respect of employees from the ages of 60 to 63, shall be subject to applicable criteria and conditions determined by the employer and the availability of funding.

Programme	Age Group	Calculation of Financial Incentive	Entitlement
ERP (Early Retirement Programme)	55 to 59	Calculated at **two (2) weeks'** basic salary per year for the first **twenty (20) years** of pensionable service, and **one (1) week's** financial incentive for each completed year of pensionable service thereafter.	Entitled to central funding for the **cost of the pension penalty waiver (no scaling down)** and the financial incentive, upon approval by the National Treasury (NT).
VEP (Voluntary Exit Programme)	60 to 63	Calculated at **two (2) weeks** of basic salary per year for the first **ten (10) years** of pensionable service, and **one (1) week's** financial incentive for each completed year of pensionable service thereafter.	Entitled to central funding for the financial incentive, upon approval by the NT.

6. Funding of Other Benefits

6.1. Departmental Funding (Within Baseline Budgets)

Provincial Education Departments must fund the following items from **within their baseline budgets** for both ERP and VEP participants:

6.1.1. Pro-rata service bonus pay.

6.1.2. Balance of the capped leave.

6.1.3. Unused current annual leave.

6.1.4. Resettlement costs, where applicable, in line with the applicable departmental policy.

6.2. Central Funding (From Budgeted Provisional Allocations)

The following items are to be funded **centrally** from the budgeted provisional allocations upon approval by the National Treasury (NT):

6.2.1. Cost of the pension penalty waiver (ERP only).

6.2.2. Cost associated with the additional financial incentive (ERP and VEP).

6.2.3. Compensation for post-retirement medical assistance and once-off payments for employees not eligible for post-retirement medical subsidy, paid by the NT through the Government Pensions Administration Agency (GPAA).

7. Implementation Period and Phases

The implementation period of the incentivised ERP and VEP will be effective from **1 October 2025 to 31 March 2027**.

The central funding support from the National Treasury is applicable for the financial years **2025/2026 and 2026/2027**

Phase	Exit Period	Application Window	Submission of Approved Cases
First Phase	October 2025 – 31 March 2026	1 October 2025 to 30 November 2025	From 1 December 2025.
Second Phase	1 April 2026 – 31 March 2027	A date to be communicated to departments by the DPSA Director-General through a circular.	1 April 2026 – 31 September 2026.

Failing to adhere to specified timeframes may result in the **forfeiture of central funding**.

8. Criteria for Consideration by the Executive Authority (EA)

8.1. Main universal criteria stipulated by the DPSA and National Treasury

8.1.1. The EA must ensure that:

(i) There shall be **no negative impact on the delivery of services** by the department.

(ii) There shall be **no skills deficit created** within the department.

(iii) The **HR Planning needs** were considered.

8.1.2. The EA may also consider:

(i) The personal circumstances and future life career choices of an employee.

(ii) The years of pensionable service of an employee.

Note: The employer may **decline** an ERP or VEP application if its approval may **adversely affect service delivery**.

8.2. Additional sectoral criteria for the education sector applied to school-based educators

In addition to the transversal criteria, the sector has identified the following additional criteria, which will be based either on total exclusion/prohibition from participation or order of priority at the point of approval of applications. The additional criteria will only be applied to school-based educators, and all other categories will be dealt with in terms of the universal criteria as stipulated by the DPSA

8.2.1. An educator whose exit will not serve the interest of the employer and will negatively impact on the delivery of services. This category will be **excluded** from participating. Their application will not be considered.

b. Those identified as possessing critical AND scarce skills in education. Those qualified in and/or teaching
   (i) STEM subjects;
   (ii) Arts;
   (iii) Coding and Robotics;
   (iv) Afrikaans both as a subject and as Language of Learning and Teaching (LoLT);
   (v) African languages at Foundation Phase;
   (vi) All educators in Foundation Phase; and
   (vii) School-based Therapists, Psychologists and Counsellors.

c. This exclusion criterion will apply regardless of the subscription level, which is included in the case where the number of applicants is lower than the determined quota.

8.2.2. Educators whose exit would be **mutually beneficial** to the employer and the educator. These criteria will be applied in the case where the EA needs to apply an order of priority in the event of over-subscription. By order of Priority:

a. An educator who is aged 55-59, has accumulated 15 or more years of service and qualifies for continuous post-retirement medical assistance, and -

   (i) Is *declared additional to the staff establishment,* and his or her areas of subject specialisation do not fall into the excluded list of critical and scarce skills as determined by the Executive Authority.

(ii) Has a documented history of ill-health but does not qualify for ill-health retirement. At the point of application, the applicant should not have a case that is not finalised.

(iii) Has been declared unfit to work at a school in terms of the PILIR process and has been moved to offices or a different work environment.

b. Any other educator who is aged 55-59, has accumulated 15 or more years’ service and qualifies for continuous post-retirement medical assistance who does not fit the criteria in 8.2.2 (a) (i), (ii) and (iii).
c. Any other educator who is aged 55-59 and has 15 or more years of service but does not fit the criteria in 8.2.2 (a) and 9.2.2 (b).
d. Any other educator aged 55-63 who has accumulated 10 or more years of service and does not fit the criteria in 8.2.2 (a), (b), (c).
e. If the number of applicants is lower than the determined quota, the only sectoral criteria will be the scarce and critical skills criteria. The EA will apply the transversal criteria.

9. Prohibition on Re-employment

Acceptance by an employee of the financial incentives offered under this ERP or the incentivised VEP **shall preclude him or her from any subsequent re-employment into the public service.**

Once the application is approved, the employer must place a block on PERSAL to ensure that the applicant can not enter the public service in the future.

10. Application Process and Conditions

- A qualifying employee must apply in writing to the relevant EA or delegated authority using the attached **application form (Annexure A)**.
- Applications must be submitted to the respective **Human Resources (HR) offices**.
- Each application must be considered on its own merit, considering contextual factors, and is **not automatic**.

- The application shall be considered based on the criteria set by relevant national and provincial departments and aligned with the funding conditions determined by the National Treasury.
- Employees are advised to approach their internal HR Sections for assistance with the calculation of their estimated pension benefits.

11. Establishment of Committees

- Provincial Education Departments are required to form two committees. The first is a District Committee and the second is a Provincial Committee.

District Committee

The Mandate of the District Committee

The mandate of the district committee is the following:

- To consider all applications
- To ensure that all applications meet the minimum requirements
- To implement the checklist developed to ensure that all applications meet the minimum requirements
- To process all applications that meet the minimum requirement for consideration by the EA to the Provincial Committee
- **Roles and Responsibilities of the DC**

  The DC's role and responsibilities will be the following:

  Application Management

  - Receive, record, and acknowledge applications from educators.
  - Verify eligibility of applicants against DPSA/DBE criteria.
  - Screen applications to avoid approval in scarce skills and critical posts.
  - Provide applicants with financial implications and counselling support where possible.

- **The composition of the Provincial Committee**

  The Provincial Committee will consist of the following individuals:

  Chairperson: District Director

  Members:

  - Human Resource Manager
  - Circuit Managers
  - Labour Relations representative
  - Finance representative

<u>Provincial Committee</u>

The Mandate of the Provincial Committee

The mandate of the provincial committee is the following:

- To manage, coordinate, and monitor the implementation of the ERP in the provincial education sector.
- To ensure that the ERP is applied fairly, consistently, and in line with national guidelines issued by DPSA and the Department of Education (DBE).
- To safeguard the delivery of education by preventing loss of educators in critical subjects and phases.
- To provide transparent reporting and accountability mechanisms.
- Make recommendations to the Executing Authority on validity of applications.

The composition of the Provincial Committee

The Provincial Committee will consist of the following individuals:

- **Chairperson:** CFO and DDG for Corporate Services
- **Members:**
  - Human Resource Management Manager
  - Labour Relations Manager
  - Finance Manager

- **Roles and Responsibilities of the PC**

  The PC's role and responsibilities will be the following:

  Financial Oversight

  - Calculate package costs in collaboration with Finance.
  - Confirm affordability within provincial budgets.
  - Submit consolidated costing reports to the Provincial Treasury and DPSA.

  Workforce Planning

  - Assess the impact of ERP approvals on schools and district staffing.
  - Recommend redistribution of posts or redeployment measures where gaps occur.
  - Advise on filling critical posts if shortages arise.

  Monitoring & Reporting

  - Maintain a central register of applications, approvals, and rejections.
  - Provide regular reports to the Head of Department, DPSA, and DBE.
  - Monitor compliance with labour agreements and national policy.

  Communication & Consultation

  - Serve as the main liaison point with teacher unions.
  - Provide guidelines and updates to districts and schools.
  - Address grievances or disputes fairly and promptly.

MR HM MWELI

DIRECTOR-GENERAL

DATE: 31/10/2025

ACTING DIRECTOR-GENERAL

DR G WHITTLE

DATE: