

## RETRENCHMENT AGREEMENT

between

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(referred to below as “the Employer”)

and

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(referred to below as “the Employee”)

It is recorded that the Employer has consulted the Employee concerning his/her proposed retrenchment on grounds of the Employer’s operational requirements. It is further recorded that the Employer and the Employee have reached agreement on the terms of the retrenchment, which are set out below:

1. The services of the Employee are hereby terminated with effect from \_\_\_\_\_ (**date**) on the grounds of the Employer’s operational requirements.

The Employee confirms that s/he has been given proper notice of termination / waives the requirement for notice to be given (**delete that which is not applicable**). The Employee shall / shall not (**delete that which is not applicable**) be required to work up to the termination date, after signature of this agreement.

2. The Employer shall pay to the Employee a severance package of R\_\_\_\_\_. Provided the Employee is eligible, the Employer undertakes to apply for the tax directive (on the severance package amount) as soon as reasonably possible after the Employee has signed the agreement. The severance package, less any deductions as directed by SARS will be paid to the Employee within seven days from the date on which SARS issues a valid tax directive.
3. Accrued annual leave (if applicable) will be paid together with the final wage / salary payment (**delete that which is not applicable**) less ordinary deductions on or before \_\_\_\_\_(date).
4. The Employer shall provide the Employee with a Certificate of Service and a letter of reference.
5. The Employer shall furnish the Employee with a UI 19 form (Unemployment Insurance) recording the reason for termination as “retrenchment”. The Employee will be entitled to claim unemployment insurance payments through the Department of Labour after the date of termination.
6. The Employer will arrange for the withdrawal of the Employee from the company provident or pension fund, and payment to the Employee of all monies due to the Employee from the provident or pension

fund. The Employee undertakes to complete and sign any documentation required to effect such withdrawal.

7. Should the Employer become aware of any employment opportunities within the business of the Employer, for which the Employee may be suitable within twelve months of the signing of this agreement, it will inform the Employee accordingly. It is the duty of the Employee to keep the Employer informed of any changes to his/her contact details.

8. Other terms:

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**(Add Annexure if more space required)**

9. This agreement is in full and final settlement of all claims in law, between the Employer and the Employee arising from the employment relationship and the termination thereof. By affixing his/her signature to the agreement, the Employee confirms that s/he has signed this agreement of his/her own free will and without any coercion or duress, and acknowledges that s/he shall have no further claim against the Employer of whatever nature and in whatever forum.

**SIGNED AT \_\_\_\_\_ ON THIS \_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_**

**Signature:** \_\_\_\_\_  
**Employee**

\_\_\_\_\_  
**Witness**

**Print name:** \_\_\_\_\_

**SIGNED AT \_\_\_\_\_ ON THIS \_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_**

**Signature:** \_\_\_\_\_  
**For and on behalf of Employer**

\_\_\_\_\_  
**Witness**

**Print name:** \_\_\_\_\_