**TO BE ISSUED ON THE COMPANY LETTERHEAD**

**Invitation to Consult on Possible Retrenchment (Trade Union)**

# **Date**

**To: \_\_\_\_\_\_\_\_\_\_ Trade Union**

**Written Notice in terms of Section 189(3) of the Labour Relations Act 66 of 1995: Invitation to Consult on Possible Retrenchment**

In terms of section 189(3) of the Labour Relations Act 66 of 1995 (LRA), we invite you to consult with us over the possible retrenchment of some of your members, in order that we may attempt to reach agreement on the issues surrounding the retrenchment.

Set out below is the relevant information required by section 189(3), in order to place you in a position to conduct meaningful consultations.

## Reason for proposed retrenchment:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Number of employees likely to be affected:**

It is anticipated that \_\_\_ employees will be retrenched. The following job categories are affected:

Category: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of employees to be retrenched \_\_\_\_\_\_

Category: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of employees to be retrenched \_\_\_\_\_\_

Category: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of employees to be retrenched \_\_\_\_\_\_

Category: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of employees to be retrenched \_\_\_\_\_\_

Category: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of employees to be retrenched \_\_\_\_\_\_

**[Attach Annexure if further categories are to be specified]**

**Proposed method for selecting the employees to be retrenched:**

We propose selecting employees for retrenchment, within each job category, on the basis of the following criteria: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Alternatives considered:**

We have considered the following alternatives to retrenchment:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The alternatives to retrenchment considered have been rejected for the following reasons:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We will consider any proposed alternatives put forward by yourselves.

**Effective date of retrenchment:**

It is anticipated that the retrenchment will take effect from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date). The employees to be retrenched will receive notice in terms of their contracts of employment or the Basic Conditions of Employment Act 75 of 1997, whichever is applicable. Employees may be required to work during the notice period.

**Severance Pay:**

The Basic Conditions of Employment Act 75 of 1997 stipulates severance pay of at least one week’s remuneration per completed year of continuous service, and this will be paid to the employees to be retrenched. Special tax rates apply to severance benefits. To qualify for this, the South African Revenue Services (SARS) requires an employer to apply for a tax directive before the severance benefit is paid to an employee.

**Assistance to be offered by the employer:**

The employer will allow the employees to be retrenched time off as reasonably required and arranged, in order to attempt to find alternative employment and to attend job interviews. The employer will provide them with a Certificate of Service and a letter of reference, and will notify them should a vacancy arise in the organisation.

**Possibility of future re-employment:**

Should a vacancy arise in a position for which a retrenched employee is suitably qualified during a period of twelve months after retrenchment, that employee will be given an opportunity to apply for that position. It will be the employee’s duty to keep the employer informed of any change in his/her contact details.

**Number of employees employed:**

The employer currently employs \_\_\_\_\_\_ **(number)** employees. \_\_\_\_\_ **(number)** employees have been retrenched in the last twelve months.

Please give the above information your serious consideration, and prepare any representations regarding the proposed retrenchment that you would like to put forward. We will meet with you on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(date)** at \_\_\_\_\_\_\_ **(time)** to consult on the above retrenchment proposal. You are entitled to make representations on any of the issues on behalf of your members, and we shall consider any such representations and respond to you by no later than \_\_\_\_\_\_\_\_\_\_\_\_ **(date).** Thereafter, further meetings may take place if required, with the aim of completing the consultation process by no later than \_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(date)**.

Yours faithfully,

Manager / Director