



FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

25-08-2025

Update: INTRODUCTION OF EARLY RETIREMENT PACKAGE

The PSA wishes to update members on developments regarding the employer's proposal on early retirement without penalisation (ERP).

Consultation vs collective agreement

The employer initially proposed that ERP be formalised through a collective agreement. The PSA, however, maintained that this was not necessary, as the employer already has the legal authority in terms of section 16(6) of the *Public Service Act* to grant early retirement without penalisation. Entering into a collective agreement would unnecessarily delay implementation. A consultation process, on the other hand, ensures that the employer can proceed after attempting to reach consensus, whilst still protecting employees' rights. The PSA's priority is to ensure that fair and reasonable criteria are used when applications are considered, especially if demand exceeds the available budget.

At the Council meeting on 23 July 2025, organised labour unanimously rejected the collective agreement but confirmed that sufficient consultation had taken place. The employer accepted this outcome, acknowledged the deadlock, and agreed to remove the matter from the Council agenda. The employer confirmed that it will proceed with ERP implementation and will remain available for further engagements with labour throughout the rollout.

The PSA is closely monitoring the process to safeguard the rights and interests of members. Regular follow-ups are being conducted with the Department of Public Service and Administration (DPSA). Following engagements at the PSCBC, the employer confirmed that internal processes are underway to guide provinces and departments on the rollout of the programme. However, no clear timeframe for implementation has been provided at this stage.

Members are urged to exercise caution when considering ERP. Whilst the option may provide relief to those wishing to exit the public service earlier, careful consideration of long-term financial implications, particularly pension sustainability, is critical to avoid unnecessary financial strain.

The PSA will continue to engage the employer and will update members on further developments.

Employees who want to join the PSA can visit the PSA's website, send an email to ask@psa.co.za, or contact PSA Provincial Offices.

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GENERAL MANAGER