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**TO: DEPUTY DIRECTORS-GENERAL
CHIEF DIRECTORS
DIRECTORS AT HEAD OFFICE & DISTRICTS
CIRCUIT MANAGERS
PRINCIPALS OF SCHOOLS & CHAIRPERSONS OF SCHOOL GOVERNING BODIES**

HRM CIRCULAR NO. 3 OF 2026

INCENTIVISED EARLY RETIREMENT PROGRAMME (EAP) WITHOUT PENALISATION OF PENSION BENEFITS AND THE VOLUNTARY EXIT PROGRAMME (VEP) FOR EMPLOYEES IN THE PUBLIC SERVICE

1. The introduction of early retirement without penalisation of pension benefits in terms of Section 16(6) of the Public Service Act 1994, as amended, and the voluntary exit programme for employees in the public service was approved at a special cabinet meeting held on 10 April 2024 with closing date for applications being 30 November 2025. In giving effect to its implementation, the Department of Public Service and Administration issued a Determination in October 2025.
2. The Determination also provides for:
 - (a) an additional financial incentive for employees aged 55 to 59 years calculated at two (2) weeks' of 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; and
 - (b) financial incentive for employees aged 60 to 63 years 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.
3. The costs incurred by waiving pension penalties as well as the costs associated with the financial incentives are funded by National Treasury. However, costs in respect of pro-rata service bonus pay; capped leave; unused current annual leave and resettlement costs, where applicable are expected to be funded from within the Department's baseline budget.
4. The approval in this regard is not automatic. In determining the criteria, cognisance had to be taken of the following:
 - (a) There shall be no negative impact on the delivery of services by the department;
 - (b) There shall be no skills deficit created within the department;
 - (c) The savings to be realised over the MTEF outweighs the costs to be incurred
 - (d) The financial implications and circumstances of the Department
5. The current financial constraints of the Department results in this Department being unable to afford the costs associated with this Programme. Therefore, all applications are, regrettably, not approved for this Phase.
6. The content of this Circular must be brought to the attention of all employees and officials under your supervision.

MR G.N. NGCOBO
HEAD OF DEPARTMENT: KZN EDUCATION

DATE: 02/03/2026