

# CUTTING EDGE



aviation union of southern africa

Registered as a trade union in terms of the labour relations Act, (Act 66 of 1995) as amended

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Dear Members,

## RETRENCHMENT (S189A)

We had a meeting on Thursday 27 June 2019, discussing the proposed Voluntary Separation Package (VSP) and the Voluntary Early Retirement Package (ERP), placed on the table by the Company during the first S189 meeting.

At the start of the meeting it was clearly stated by the Company team that they cannot increase the offer following discussions with their mandate givers. The current offer for VSP and/or ERP will be as follows:

- ⇒ VSP of 2 week's remuneration for every completed year of service. The 2 weeks proposed is an incentive, which is more than the 1 week required by law on a forced retrenchment; or
- ⇒ ERP of 1.5 weeks per year of completed service for employees between the age of 55 to 60. The 1.5 weeks proposed is also an incentive, which is more than the 1 week required by law on a forced retrenchment; or
- ⇒ ERP of 1 week per year of completed service for employees between the age of 61 to 65.
- ⇒ 1 month's salary in lieu of notice in addition to the different weeks proposed above for every year of service and payment of all statutory payments including leave and pension fund benefits.
- ⇒ Bursaries and Study Loan penalties will be waived by the Company.
- ⇒ Employees will be released by a set date and operational reasons will be considered in relation to the date of departure.
- ⇒ Outstanding monies owed to the Company will be deducted from the final payment.
- ⇒ The Company will contribute to the maximum of R7600-00 (seven thousand six hundred rand) per employee towards financial counselling, life skills training, employee training and after care. This amount will not be paid out directly to the employee in cash but will be facilitated through our wellness service provider ICAS and through our partnership with SAA, if necessary.
- ⇒ Please take note that VSP/ERP is strictly on a mutual consent basis, and the Company reserves the right to decline a request for VSP/ERP based on operational needs and/or the Company's need to retain certain key skills.
- ⇒ If an application for VSP/ERP is accepted, the employee will be required to sign a separation agreement.
- ⇒ If an application for VSP/ERP is submitted, the employee will not be permitted to withdraw or retract such application.

All Labour parties rejected the proposed VSP and ERP made by the Company. A long meeting followed and Labour parties requested the Company team to go back to their mandate givers to obtain a new mandate.

We also made it clear that more information will need to be made available by the Company to assist employees in making an informed decision regarding the VSP. This will include the new proposed structure of the Company and which department and/or employee will be affected by this restructuring.

The Company team committed to respond no later than close of business Friday 28 June 2019. We received an e-mail late on Friday 28 June 2019 (after 3 o'clock), but this was retracted by the Company five (5) minutes later. A follow-up meeting is scheduled for 2 July 2019, hopefully the Company will provide the requested information and a revised proposal on the VSP and ERP.

Feel free to contact the Union office for more information and feedback.

Regards

**AUSA**