

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**1240. Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

With reference to her reply to question 664 on 13 April 2018, what (a) was the purpose of the offering of severance packages to employees aged 55 and above, (b) was the total rand value of each package per employee, (c) number of the 31 employees were (i) replaced or (ii) will be replaced by new appointments, (d) savings was she referring to by offering severance packages to the 31 employees and (e) were the details of calculations of savings taken into account for new appointments? NW1339E

**Response:**

The purpose of offering voluntary severance packages was part of achieving the organisation’s strategic objectives of deriving cost savings from retiring targeted employees early. The total cost to company packages versus the severance package were drafted into two package offers based on cost savings the organisation will realise and the financial implication per employee. The two offers were: two weeks’ pay for every year of service plus company pension where the company can derive savings within three years of the total severance package up until 60 years of age. The second package offer was one week’s pay counter-offer, where the company could not derive savings within three years, for every year of service plus company pension benefits up until 60 years of age. The total value and the package per employee cannot be released however none of the non-critical positions will be replaced. The cost savings have been taken into account through meeting the operational deliverables of the organisation by transferring skills of critical positions through internal recruitment and non-replacement of non-critical skills.