



OFFICE OF THE HEAD OF THE DEPARTMENT

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TO	ALL DEPUTY DIRECTOR GENERALS ALL CLUSTER CHIEF DIRECTORS ALL CLUSTER DIRECTORS ALL DISTRICT DIRECTORS ALL DEPUTY DIRECTORS ALL CIRCUIT MANAGERS ALL SCHOOL PRINCIPALS ALL ORGANISED LABOUR ALL DEPARTMENTAL OFFICIALS
FROM	HEAD OF DEPARTMENT
SUBJECT	INCENTIVISED EARLY RETIREMENT PROGRAMME WITHOUT PENALISATION OF PENSION BENEFITS IN TERMS OF SECTION 16(6) OF THE PUBLIC SERVICE ACT, 1994 AND THE VOLUNTARY EXIT PROGRAMME FOR EMPLOYEES IN THE PUBLIC SERVICE
DATE	20 OCTOBER 2025

1. Attached is DPSA Circular No. 38 of 2025 dated 13 October 2025 which gives effect to the provisions of the Early Retirement (ER) without penalisation of pension benefits and The Determination and Directive on Incentivised Early Retirement Programme (without pension penalties) and Voluntary Exit Programme for Employees in the Public Service with the following Annexures:

Annexure A: Application form,

Annexure B: Early Retirement Application approved by the Executive Authority or delegated,

Annexure C: Guidelines for the 2025 MTEF period (Criteria for Funding and Processing of Applications for Early Retirement Programme), from National Treasury,

Annexure D: Frequently asked questions on the incentivised Early Retirement Programme (ERP) without penalisation of pension benefits and the Voluntary Exit Programme (VEP) for employees in the Public Service, and

Annexure E: Flowchart for the incentivised Early Retirement without pension penalties and Voluntary Exit Programme for Employees in the Public Service: **2025/2026 – 2026/2027** and

Annexure F: Examples: Financial Incentive Illustrations.

2. Employees from the age of 55 to 59 years, employed in terms of the Public Service Act and on permanent employment are eligible to apply for the ERP. Employees who wish to apply should reach the age of 55 to 59 years (not yet 60 years old) during the periods 2025/26 and 2026/27 financial years. Employees who wish to apply for ERP without the pension penalties are to submit their applications to their respective HRA offices. ERP is an employee-initiated process.
3. In addition, employees aged 60 to 63 do not qualify for ER in terms of section 16(6) of the PSA but are invited to apply for a Voluntary Early Exit i.e. VEP in return for a financial incentive. Central funding will be approved by the National Treasury in terms of the Determination and Directive based on set criteria by relevant National and Provincial Departments and aligned with the funding conditions as determined by National Treasury.

4. Applications for financial year 2025/2026:

Employees who wish to participate in the ERP or VEP, must apply in writing using the attached application form (Annexure A). Employees between the age of 55 to 59 and 60 to 63 from 1 April 2025 - 31 March 2026 should submit applications to HRA for processing and HRA must submit names of approved cases from **1 November 2025** via the attached spreadsheet (Annexure B).

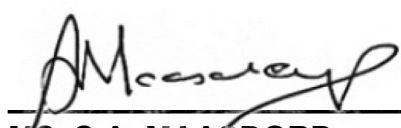
5. Applications for financial year 2026/2027:

Employees who wish to participate in the ERP or VEP, must apply in writing using the attached application form (Annexure A). Employees between the age of 55 to 59 and 60 to 63 from 1 April 2026 - 31 March 2027 should submit applications to HRA for processing and HRA must submit names of approved cases from **1 September 2026** via the attached spreadsheet (**Annexure B**).

6. The attached application form and a written motivation (**Section F**) should be used for the purpose of the ERP and VEP. **Section H** of the application form should be completed by the Head of the Institution as a Delegated Official. Employees should take note that once the application is approved by the Executive Authority, it cannot be retracted.

**INCENTIVISED EARLY RETIREMENT PROGRAMME WITHOUT PENALISATION OF PENSION BENEFITS IN
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7. HR Offices in institutions are requested to assist employees to correctly complete the form and to ensure that all documents are valid, accurate and fully completed to avoid delays. HRA to also assist employees with calculations of their estimated pension benefits.
8. All applications and spreadsheets are to be finalized and submitted to Head Office on or before **15 November 2025** to Ms Rosalind Pendrigh at Head Office (Zwelitsha). No application will be accepted after the due date.
9. Please bring the contents of this circular to the attention of all staff concerned.



MS. S.A. MAASDORP
HEAD OF DEPARTMENT
DEPARTMENT OF EDUCATION: EC
DATE: 20 October 2025
