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**RETRENCHMENT ADVICE**

Date:

To:

Dear

**RE: TERMINATION OF SERVICES FOR OPERATIONAL REQUIREMENTS**

It is with regret that the company has to inform you of the termination of your services due to the financial difficulties the company has been experiencing over the past year.

The company and your union have been involved in extensive consultations regarding the retrenchment and the following have been agreed upon:

1 no alternative to retrenchments could be implemented;

2 that, in accordance with the LIFO-principle and the retention of skills in key production areas, which were explained and understood by yourself, you were identified as one of the employees to be retrenched;

3 that the retrenchment will take effect on (*date*);

4 that the month of (*specify*) will serve as your notice period, but you will not be required to work during said notice period.

It was further agreed that the following payments are due to you:

(a) your wages/salary for the remaining period of (*specify month*); R

(b) notice pay equal to one month’s wages/salary; R

(c) severance pay equal to one week’s wages/salary for every completed R

year of service you have been in the Company’

You have been in the Company’s employ for (*state number of years)* years R

and (*state number of months*) months which results in a severance package

of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ weeks’ remuneration.

(d) leave pay equal to (*number of days*) day’s leave to your credit R  
 TOTAL R

These payments will be effected on the last day of (*state month*). On the same day your UIF card and a certificate of service will be handed to you.

The company has also agreed to re-employ you should its financial situation improve and positions once again become available. Please ensure that your address and contact numbers on file in the Personnel Department are correct so that the company can communicate with you when the need arises.

The company wishes to extend its gratitude to you for your loyal service over the past (*number of years*) years and wishes you the best of luck in future.

Yours faithfully

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

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