

Policy Number	Policy Title
CP32	Payments to Employees in Addition to a Contract or Award

OBJECTIVE

This policy provides the requirements for payments to employees in addition to a contract or award when ceasing employment with the Shire, in accordance with section 5.50 of the *Local Government Act 1995*.

POLICY

This policy applies to all permanent Shire of Irwin employees. Decisions under this policy are to be made by:

- Council – where the payment is for a Chief Executive Officer (CEO) or Senior employee.
- CEO – where the payment is for any other employee.

The Shire of Irwin and Council are committed to ensuring they meet legislative compliance by providing fair and equitable consideration to employees who are ceasing their employment with the Shire.

PRACTICE

Severance

Employees who are resigning from the Shire of their own volition for the purposes of retirement or career change will not be paid a severance payment unless provided for in this policy.

The Shire may make a severance payment in the following circumstances:

- a) Any Federal or State Award or Industrial Agreement applicable to that employee;
- b) Any applicable provisions within the employee's contract of employment;
- c) Redundancy; or
- d) To settle other termination matters (that do not relate to redundancy).

The value of payment or payments is not to exceed the requirements specified in the *Local Government (Administration) Regulations 1996* section 19A.

Payments are not to be paid to an employee who:

- a) is redeployed within the Shire;
- b) accepts employment with a successful tenderer;
- c) is dismissed for serious misconduct;
- d) is employed on either a temporary or casual basis;
- e) has less than one (1) years' service with the Shire; and/or
- f) is classified as a trainee or apprentice, or is under probation.

Gratuity

The CEO, at their discretion, may make a gratuity gift to an employee who is ceasing employment with the Shire for any of the following reasons and in accordance with the following table:

- a) resignation (not as a result of any performance management, misconduct or investigation by the Shire)
- b) retirement; or
- c) redundancy

Years of continuous service	Gratuity value
2 to 5 years	To a maximum value of \$100
6 to 10 years	Gift and function to the total value of \$200 - presented to the employee by the CEO or nominated representative at a function determined by the CEO.
11 to 15 years*	Gift and function to the total value of \$40 per year of continuous service to a maximum of \$600
16 to 20 years*	Gift and function to the total value of \$50 per year of continuous service to a maximum of \$1,000
Above 20 years*	Gift and function to the total value of \$70 per year of continuous service to a maximum of \$2,500

**11+ years gratuity gift is to be presented to the employee by the Shire President or nominated representative at a function determined by the CEO.*

Council may determine that, in unforeseen circumstances, terminating employees may be paid additional monies or be provided with additional benefits, where it is justified and demonstrably in the best interests of the Shire. Local public notice is to be given in relation to the payment in accordance with section 5.50(2) of the *Local Government Act 1995*.

Recognition of Service

The Shire will recognise long serving employees with more than five (5) years of service during their employment. Each long serving employee shall receive a letter and certificate of recognition from the CEO acknowledging their length of service along with the following:

Years of continuous service	Recognition value
5 years	Certificate of recognition
10 years*	Gift and function to the total value of \$250
15 years	Gift and morning/afternoon tea to the total value of \$50 - presented by the CEO
20 years*	Gift and function to the total value of \$500
25 years	Gift and morning/afternoon tea to the total value of \$100 - presented by the CEO
30 years*	Gift and function to the total value of \$1,000
35 years	Gift and morning/afternoon tea to the total value of \$150 - presented by the CEO
40 years*	Gift and function to the total value of \$2,000

** Recognition of service is to be presented by the CEO at a function attended by employees and recognised employee's guests.*

Financial Liability for Taxation

The employee receiving the payment accepts full responsibility for any taxation payable on severance payments and fully indemnifies the Shire of Irwin in relation to any claims or liabilities for taxation in relation to payments.

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Responsible Directorate:	Human Resources		
Legislation:	Local Government Act 1995 Local Government (Administration) Regulations 1996 r.19A		
Related Management Policy and/or Procedure:			