

Council Policy 1.4.1 – Payments to Employees in Addition to Contract on Cessation of Employment

- Objectives:** Progressive
- Outcome:** 4.1 - A resilient, efficient and effective organisation.
- Strategy:** 4.1.1 - Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.

Purpose

The purpose of this policy is to outline the circumstances in which a payment may be made to an employee who is ceasing employment with the Shire in accordance with s5.50 of the *Local Government Act 1995* (the Act).

Decisions under this policy are to be made:

- (a) By the Council – where the decision involves a payment to the CEO; and
- (b) By the CEO – where the decision involves a payment to any other employee of the Shire.

Definitions

Not applicable

Policy

Gratuity Payments

The Shire may wish to recognise the service provided by an employee, who is finishing employment with the Shire, and who, in the judgement of the Chief Executive Officer, has made a significant and valuable contribution to the organisation. This may be recognised by way of a gratuity payment.

In determining the gratuity payment to be made, the Chief Executive Officer will consider the matter on its merit having regard for the length of the employee's service or contribution with the Shire and the employee's standard of performance, outstanding service and/or contribution.

These payments, when proposed to be made, are in addition to any amount which the employee is entitled to under a contract of employment, enterprise agreement or Award. This policy shall not be considered as a contractual entitlement under the employment relationship.

The gratuity payment identified within this policy does not apply to an employee who has been dismissed by the Shire for any reason.

Cessation of Employment

The Shire may elect to pay to a terminating employee an amount in excess of their award or contractual entitlement where the termination of employment is a matter of serious and genuine dispute between the Shire and the employee, that is best resolved, in the judgement of the



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Chief Executive Officer, after considering legal and other relevant advice, on a commercially negotiated basis.

Value of Payment

The value of a payment or payments made under s5.50(1) and (2) of the Act, to an employee whose employment finishes with the Shire will be made in accordance with Regulation 19A of the *Local Government (Administration) Regulations 1996* and is not to exceed in total:

- (a) The equivalent value of 3 months of the employee's base annual salary, if the person:
 - i Accepts voluntary severance by resigning as an employee; and
 - ii Is not a CEO or a senior employee whose employment is governed by a written contract in accordance with s5.39.or
- (b) In all other cases, \$5,000.

Special Circumstances

If special circumstances warrant, Council may at any time give consideration to the payment of a gratuity that is additional to that set out in this policy. In this instance public notice shall be given of the proposed additional gratuity, in accordance with the provisions of the Act.

Note: As required by s5.50 of the Act, this policy is to be advertised by local public notice.



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References

Name of Policy	1.4.1 Payments to Employees in Addition to Contract or Award on Cessation of Employment			
Previous Policy	G706 - Payments to Employees in Addition to Contract or Award on Cessation of Employment (E15/5096)			
Date of Adoption and Resolution Number	Adopted	CGAM008/08/11	22/08/2011	Ordinary Council Meeting
Review dates and Resolution Numbers	Reviewed	OCM187/09/15	29/09/2015	Ordinary Council Meeting
	Modified	OCM179/12/17	18/12/2017	Ordinary Council Meeting
Next review date				
Related documents	<p>Acts/Regulations <i>Local Government Act 1995 S5.50</i> <i>Local Government (Administration) Regulations 1996, r19A</i></p> <p>Plans/Strategies Strategic Community Plan 2017 - 2027</p> <p>Policies Nil</p> <p>Delegations Nil</p> <p>Work Procedures TBC</p>			

Note: changes to references may be made without the need to take the Policy to Council for review.