

# Council Policy

## Gratuity Payments to Finishing Employees



### POLICY OBJECTIVES

To comply with section 5.50(1) of the Local Government Act 1995 and set out the circumstances in which the Shire may pay to an employee whose employment with the Shire is finishing, an amount in addition to any amount which the employee is entitled to under a contract of employment or Enterprise Agreement, and the manner of assessment of the additional amount.

### POLICY SCOPE

All employees.

### POLICY DETAIL

#### Gratuity Payments

This policy outlines the circumstances in which gratuity payments may be made to a finishing employee. These payments, when made, are in addition to any amount that the employee is entitled to under a contract of employment or Enterprise Agreement.

The imposition of this parameter does not form a contractual entitlement under employment relationships and as such the Council may choose to modify this position by way of resolution.

When an employee's services are ceasing with the Shire, the employee will be entitled to a gratuity as outlined below based on completed years of service. The gratuity payment identified within this policy does not apply to an employee who has been dismissed by the Shire for any reason.

The idea of a gratuity payment is that it is a way of the Shire honouring and thanking employees who have made long term contributions towards the Shire successfully meeting its objectives. Council reserves the right to resolve to increase the value of gifts to employees whose commitment and contribution to the community is of an exemplary level.

The Shire's gratuity payments will be in the form of a gift in line with the prescribed amounts below:

<u>Years of Service</u>	<u>Amount of Gratuity</u>
5 to 15 years of continuous service	A gift to the value of \$25 for each year of service
15 to 30 years of continuous service	A gift to the value of \$35 for each year of service
30 + years of continuous service	A gift to the value of \$50 for each year of service

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For Council's designated senior employees, the value of any finishing gift will be at the above prescribed amount plus an extra \$50 for each year of service, in recognition of the level of responsibility and influence associated with their role.

For the purpose of this policy, continuous service shall be deemed to include:

- a) Any period of absence from duty of annual leave, long service leave, accrued paid bereavement leave, accrued paid personal leave and public holidays.
- b) Any period of authorised paid absence from duty necessitated by sickness of or injury to the employee but only to the extent of three months in each calendar year but not including leave without pay or parental leave.
- c) Any period of absence that has been supported by an approved workers compensation claim up to a maximum absence of one year.

For the purpose of this policy, continuous service shall not include:

- a) Any period of unauthorised absence from duty unless the Shire determines otherwise.
- b) Any period of unpaid leave unless the Shire determines otherwise.

No gratuity payment to any employee shall exceed one year's salary or the limits set as per regulations.

This Policy at initial adoption and upon any significant amendment will be subject to a period of Local Public Notice in line with provisions of the Local Government Act.

### DEFINITIONS

CEO – the Shire of Narembreen's Chief Executive Officer or an officer subsequently delegated to manage this function by the Chief Executive Officer.

Council – the Shire of Narembreen Council

Councillor – a person duly elected to the office of Councillor on a Council by way of a free election

### RELATED LEGISLATION

*Local Government Act 1995 Division 4 Section 5.36, 5.37, 5.40, 5.41*  
*Occupation Safety and health Act (WA) 1984*

### OTHER RELATED POLICIES/KEY DOCUMENTS

1. Policy 4.3.17 Severance pay policy
2. Policy 4.3.20 Sexual harassment
3. Policy 4.3.22 Gratuity payments
4. Policy 4.3.22 Drug and alcohol – fitness for work

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### DELEGATED AUTHORITY

NA

### REVIEW DATE

December 2021

### HISTORY

Adopted:	16/09/1998	MIN:	781/98
Reviewed:	18/02/2015	MIN:	5896/15
Reviewed:	15/02/2017	MIN:	6367/17
Reviewed:	10/11/2020	MIN:	7125/20
Reviewed:		MIN:	