

COUNCIL POLICY HR/CP-2 GRATUITY PAYMENTS



STRATEGIC OUTCOME SUPPORTED: 10 - A popular destination for visitors and tourists.

SUNSET CLAUSE

This policy applies to staff that were employed for a period of 10 years prior to 25 July 2018 to the amount of \$1,000 when they separate from the organisation except in the event of employment termination.

The Gratuity Payments policy will be exhausted after the last employee that falling into this category separates from the organisation, as per council resolution from the Ordinary Council Meeting 25 July 2018 (Confidential Item). *(See separate CONFIDENTIAL Attachment listing eligible employees).*

Moved: Cr Van Der Heide

Seconded: Cr Mills

That Council:

- 1) Acknowledge the staff feedback for the current Gratuity Payments Policy;
- 2) Acknowledge the WALGA Employee Relations feedback for the current Gratuity Payments Policy;
- 3) Rescind Council Policy 1.16 – Gratuity Payments subject to the sunset clause being exhausted;
- 4) Apply a sunset clause to Policy 1.16 – Gratuity Payments for staff that were employed for a period of 10 years prior to 25 July 2018 to the amount of \$1,000 when they separate from the organisation except in the event of employment termination;
- 5) Endorse the establishment and coordination of an annual Service Recognition program, by the Chief Executive Officer, to recognise length and continuity of service of staff, Councillors and local community committee members.

Carried 8/1

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POLICY VERSION

Related Policies:	Nil				
Related Procedure:	Nil				
Responsible Department:	Finance				
Reviewer:	Director of Corporate and Community				
Review Frequency:	Nil	Next Due:	Nil	Synergy #:	NPP8073
Version Date:	21/12/21	Decision Reference:	213/21		
Version Synopsis:	No review done - Only renumbered from 1.16 Gratuity Payments				
Policy Version Details					
Initial Adoption Date:	22/05/2013	Decision Reference:	N/A		

OBJECTIVE

The aim of this policy is to establish guidelines for the consideration of Gratuity Payments to employees in accordance with Section 5.50 of the Local Government Act 1995 ('the Act').

Pursuant to Section 5.50 of the Act, this gratuity policy outlines the circumstances in which gratuity payments may be made to an employee. These payments, when 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.

NOTE: As required by Section 5.50 of the Act this policy was advertised through Local Public Notice and prior to adoption and the Shire of Donnybrook/Balingup has not made any payments to employees prior to the giving of the public notification.

POLICY STATEMENT

1. Eligibility to Gratuity Payments

It is the position of the Shire of Donnybrook Balingup that when an employee's services are ceasing with Council for any of the reasons identified below, the employee may be entitled to a gratuity payment as outlined within this policy based on the completed years of service:

- Resignation (not as a result of any performance management or investigation being conducted by the Local Government)
- Retirement
- Redundancy

The Gratuity Payment identified within this policy does not apply to an employee who has been dismissed by the Shire of Donnybrook Balingup for any reason other than redundancy.

2. Determining Service

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

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- Any period of absence from duty of annual leave, long service leave, accrued paid bereavement leave, accrued paid personal leave and public holidays.
- Any period of authorized 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.
- Any period of absence that has been supported by an approved workers compensation claim up to a maximum absence of 1 year.

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

- Any period of unauthorised absence from duty unless the Local Government determines otherwise.
- Any period of unpaid leave unless the Local Government determines otherwise.
- Any period of absence from duty on Parental leave unless the Local Government determines otherwise.

3. Gratuity Amount

The Gratuity amount referred to in this policy shall be as follows:

Number of Years' Service	Amount of Gratuity
10 to a maximum of 15 Years Continuous Service	Up to a maximum of \$3,000.00
15 to a maximum of 20 Years Continuous Service	Up to a maximum of \$4,000.00
Above 20 Years' Service	Up to a maximum of \$5,000.00
A pro-rata payment applies to part-time employees	

The maximum amount payable under this policy shall be \$5,000.00.

The Council acknowledges that at the time that this policy was introduced, employees may be entitled to payments in addition to this policy as a result of accrued unused long service leave benefits, redundancy payments or notice periods as prescribed by the appropriate award, legislation or industrial instrument and that the Council has taken into consideration these provisions when setting the prescribed amount.

4. Financial Liability for Taxation

The employee accepts full responsibility for any taxation payable on the Gratuity Payment, and agrees to fully indemnify the Local Government in relation to any claims or liabilities for taxation in relation to the Gratuity Payment.

5. Payments in addition to this Policy

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The Local Government agrees not to make any payment in addition to that contained within this policy until the Policy has been amended to reflect the varied amount and caused local public notification to be given in relation to the variation.

6. Financial Implications

The Council acknowledged that at the time of the policy's introduction they were fully aware of the financial implications to the Local Government and that the financial implications had been investigated based on the current workforce position.

7. Variation to Policy

This policy may be varied or cancelled from time to time at the discretion of Chief Executive Officer after the endorsement by Council.

The Local Government is committed to taking reasonable action to ensure that any variation or cancellation to this policy is notified to all employees prior to the variation taking effect, including (but not limited to) notifying all employees via normal correspondence of the variation including the proposed reasons for such variation. All employees shall be given an opportunity to provide feedback regarding the variation and these shall be taken into consideration by Council prior to variation.

DEFINITIONS

Nil

LEGISLATION

- *Local Government Act 1995*