

8.4 Employees – Recognition of Service (Gratuity)

POLICY STATEMENT

1. An employee, whose employment is finishing, may be paid a gratuity payment when their employment is ceasing due to –
 - a) Resignation (not as a result of any performance management or investigation being conducted or pending/potential disciplinary action by the Shire);
 - b) Retirement; or
 - c) Redundancy.
2. Long serving employees may be recognised within the parameters set by section 5.50 of the Local Government Act 1995 and the associated Regulations.
3. Gratuity payments should be calculated based on the following prescribed amounts –

Service less than 2 years continuous service	Nil
Continuous service of 2 years but less than 5 years	to the value of \$30 per year of service
Continuous service greater than 5 years	to the value of \$50 per year of service maximum payment of \$1,000

APPLICATION

4. Application
An employee who has been dismissed by the Shire for any reason other than redundancy, will not be eligible to receive any payment under this policy.
5. Gratuity
The CEO in consultation with the relevant Manager, may –
 - a) provide a gratuity to a qualifying employee in the form of a gift card or voucher, preferably from a local business within the Shire,
 - b) exercise their discretion to provide money instead of a gift card or voucher.
6. Exceeding prescribed amounts
In some circumstances, Council may consider it appropriate to make a payment greater than that specified by this policy. In which case local public notice is required to be given in relation to the proposed gratuity in accordance with the Local Government Act s.5.50 (2), and is not to exceed the amounts as set in the Local Government Administration Regulations 1996, specifically regulation 19a.
7. Determining Service
For the purpose of this policy, continuous service shall be deemed to include –
 - a) any period of absence from duty on annual leave, long service leave, paid compassionate 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 up to a maximum of three months in each calendar year, but not including leave without pay or parental leave; or
 - c) any period of absence that has been supported by an approved workers compensation claim up to a maximum absence of 12 months.

For the purpose of this policy, continuous service shall exclude –

- a) any period of unauthorised absence from duty unless the CEO determines otherwise;
- b) any period of unpaid leave unless the CEO determines otherwise; or
- c) any period of absence from duty on parental leave unless the CEO determines otherwise.

8. Financial Liability for Taxation

The employee has full responsibility for any taxation payable on a gratuity payment.

OBJECTIVE

To outline the circumstances and value of any gift or recognition given to an employee when leaving Shire employment.

STATUTORY CONTEXT

Local Government Act 1995 –

- s.5.50 – Payments or gifts to employees in addition to Award or contract

Local Government (Administration) Regulations 1996 –

- specifically Regulation 19A

CORPORATE CONTEXT

None

HISTORY

Adopted 28 June 2018

REFERENCES

Statutory requirements –

- a) **Prior to becoming effective, adoption or amendment of this Policy –**
 - local public notice must have been given, and
 - any submissions considered by Council.
- b) **Recognition in excess of Policy may be made only if local public notice is given prior to payment being made.**