

Payments to Employees in addition to Contract or Award

Introduction

This policy is intended to ensure any payments made to employees finishing their employment, in addition to their contract or award, complies with the conditions prescribed by the *Local Government Act 1995*.

Objective

To meet the requirements of the following:

- Section 5.50 of the *Local Government Act 1995* requires local governments to prepare a policy in relation to employees whose employment with the local government ends for whatever reason.
- Regulation 19A of the *Local Government (Administration) Regulations 1996* defines the limits of payments in addition to contract or award.
- Any gift or payment that exceeds the limits set out in this policy must be notified through Local Public Notice in accordance with s.5.50(2) of the *Local Government Act 1995*.

Scope

This policy applies to all employees of the Shire except the CEO and Executive Managers, if any, in which case the terms of the Contract of Employment and relevant legislation shall apply.

Definitions

Term	Definition
Act	<i>Local Government Act 1995</i> .
CEO	Chief Executive Officer
Continuing Service	includes: <ul style="list-style-type: none"> • any period of absence from duty on approved annual leave, long service leave, paid compassionate leave, paid personal/carer's leave and public holidays, and • any period of absence that has been supported by an approved workers' compensation claim up to a maximum absence of 12 months.
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire's Standing Orders Local Law 2008</i> .

Term	Definition
Employees	An employee of the Shire of Toodyay, under a contract of employment or award with the exception of the CEO and Executive Managers.
Executive Managers	Means the Executive Managers defined as Senior Workers that Council resolved (Res. No. OCM026/03/22) to designate in accordance with section 5.37 of the <i>Local Government Act 1995</i> : <ul style="list-style-type: none"> • Executive Manager Corporate and Community Services; • Executive Manager Infrastructure, Assets & Services; and • Executive Manager Development and Regulation.
Member	Means in relation to a council or committee, a Council Member in the Act; Elected Member; or Councillor; or a member of the committee.
Regulations	Local Government (Administration) Regulations 1996.
Shire	The Shire of Toodyay.
Shire President	Shire President

Policy Statement

The Shire is committed to recognising long serving employees and will allocate funds for the purpose of gratuity payments in the Annual Budget.

Through this policy, a monetary payment or gift(s) to an equivalent value may be given as a token of appreciation for an employee's commitment and service to the Shire; only when the employee is finishing their employment with the Shire.

This policy sets out the circumstances in which the Shire will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment, award, or other industrial instrument, and the eligibility for the additional payment.

1. Manner of Assessment and Eligibility for additional payment

An additional payment is subject to an employee's completed years of continuous service as detailed in Clause 4 below.

The CEO may determine the form of a monetary payment or gift(s) of an equivalent value to an employee finishing their employment with the Shire, in recognition of the employee's service to the Shire.

Eligibility for the additional payment will only be for the following reasons:

- The employee resigns from their position (not as a result of any performance management or investigation, or disciplinary action being undertaken by the Shire);
- The employee's position is made redundant; or

- The employee retires and resigns from their position.

An employee is not eligible to receive an additional payment under this policy where the employee:

- Has been dismissed by the Shire for any reason other than redundancy;
- Has resigned following commencement of disciplinary action, an investigation, or a performance management process; or
- Is engaged on a maximum or fixed term contract that has ended.

2. Value of Payment or Gift(s)

The Shire shall sponsor a morning or afternoon tea up to the value of \$200 for staff leaving the Shire.

Council's contribution to staff leaving its employment is as follows:

Completed Continuous Years of Service	Monetary Value / Other Comment
Up to 2	<ul style="list-style-type: none"> • Nil
2 - 5 years	<ul style="list-style-type: none"> • A gift to the value of \$100.
5 - 10 years	<ul style="list-style-type: none"> • A gift to the value of \$150.
10 – 20 years	<ul style="list-style-type: none"> • A gift to the value of \$250.
20 years +	<ul style="list-style-type: none"> • A gift to the value of \$500. • Recognition to be made through the local media by inviting them to attend the morning or afternoon tea.

For the purpose of this policy, unless otherwise determined by Council resolution, continuous service does not include:

- any period of unauthorised absence from duty;
- any period of unpaid leave; or
- any period of absence from duty on unpaid parental leave.

3. Financial liability for taxation

An employee who accepts a payment, either as a gift or monetary payment, is responsible for any attributable tax liability arising for the employee and/or the Local Government.

Reference Information

- N/A

Legislation

Legislation

- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*
- *Equal Opportunity Act 1984*
- *Fair Work Act 2009*
- *Workers Compensation and Injury Management Act 1981*

Associated documents.

- N/A

Version control information

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