

Shire of Wiluna Policy Manual

GRATUITY PAYMENTS

Policy 1.4

Policy Statement

With effect from 01 July 2015: When an employee leaves their employment or is made redundant, they may be given a good or service as a token of appreciation for their commitment and service to the Shire of Wiluna.

Policy Objective

This Gratuity Policy outlines the circumstances in which gratuity payments may be made to an employee. This policy should be read in conjunction with section 5.50 of the Local Government Act 1995 and Local Government Administration Regulations 1996, specifically regulation 19a. A gratuity payment is paid in addition to any amount which an employee is entitled to under a contract of employment or industrial instrument. This policy does not form a contractual entitlement for any employee of the Local Government.

Commitment

The Shire of Wiluna is committed to recognising long serving employees within the parameters set by the Local Government Act 1995 and the associated regulations.

Eligibility for Gratuity Payments

An employee may be entitled to a gratuity payment as outlined within this policy based on the completed years of service when an employee's services are ceasing with the Local Government for any of the reasons identified below:

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

An employee who has been dismissed by the Shire of Wiluna for any reason other than redundancy, will not be eligible to receive any Gratuity Payment under this policy.

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Prescribed Amounts for Gratuity Payments

For Officers other than the Chief Executive Officer:

Number of Years' Service	Amount of Gratuity
<u>Continuous service of less than 2 years</u>	<u>Statement of Service</u>
<u>Continuous service greater than 2 years but less than 5 years</u>	<u>A Statement of Service and a gift, or contribution towards a gift, to the value of \$20.00</u>
<u>Continuous service greater than 5 years but less than 10 years</u>	<u>A Statement of Service and a gift or contribution towards a gift of \$20 for each year of service.</u> <u>Items to be presented to the employee by the CEO, or nominated representative at a time and place determined suitable by the CEO</u>
<u>Continuous service greater than 10 years but less than 15 years</u>	<u>A Statement of Service and a gift or contribution towards a gift of \$30.00 for each year of service.</u> <u>Items to be presented to the employee by the CEO, or nominated representative at a time and place determined suitable by the CEO.</u>
<u>Continuous service greater than 15 years but less than 20 years</u>	<u>A Statement of Service and a gift or contribution towards a gift of \$40.00 for each year of service.</u> <u>Items to be presented to the employee by the CEO, or nominated representative at a time and place determined suitable by the CEO.</u>
<u>Continuous service greater than 20 years</u>	<u>A Statement of Service and a gift or contribution towards a gift of \$50.00 for each year of service.</u> <u>Items to be presented to the employee by the CEO, or nominated representative at a time and place determined suitable by the CEO.</u>

The Local Government Administration Regulations 1996 Part 4 (19A) limits the monetary value of gratuities paid to employees who are finishing employment with a local government to a maximum \$5000.00.

For the Chief Executive Officer:

Council to consider a payment of up to a maximum for \$5,000.00 based on the Council's assessment of the quality of service of that Chief Executive Officer and not the length of service.

The Local Government Administration Regulations 1996 Part 4 (19A) limits the monetary value of gratuities paid to employees who are finishing employment with a local government to a maximum \$5000.00.

The Shire of Wiluna acknowledges that at the time this policy was adopted, 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 legislation or a relevant industrial instrument.

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The Shire of Wiluna has considered these provisions when settling the prescribed amount of any gratuity payment in this policy.

Determining Service

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

- Any period of absence from duty on annual leave, long service leave, paid compassionate leave, accrued paid personal leave and public holidays;
- 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
- 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 not include:
- Any period of unauthorised absence from duty unless **Council** determines otherwise;
- Any period of unpaid leave unless the **Council** determines otherwise;
or
- Any period of absence from duty on parental leave unless the **Council** determines otherwise.

Financial Liability for Taxation

The employee accepts full responsibility for any taxation payable on a gratuity payment and agrees to fully indemnify the Shire of Wiluna in relation to any claims or liabilities for taxation in relation to the gratuity payment.

Payments in addition to this Policy

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

Final Determination

The Chief Executive Officer shall make the final determination with respect to whether an employee will receive and the form of the gratuity to be made, taking into account the employee's performance over the eligible period of service.

In the case of the gratuity payment applying to the Chief Executive Officer, the Council must make the final determination with respect to whether the Chief Executive Officer will receive and the form of the gratuity to be made, taking into account the employee's performance/quality of service.

Financial Implications

The Shire of Wiluna acknowledges that at the time the policy was introduced, the financial implications to the Shire of Wiluna were understood and that these financial implications had been investigated based on the workforce position current at that time.

The Shire of Wiluna will take reasonable steps to notify employees prior to the variation of this policy or the introduction of any new gratuity policy.

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Consequences of Breaching this Policy

The policy constitutes a lawful instruction to anyone involved in administering a gratuity payment. Any breaches of the policy may lead to disciplinary action.

Variation to this Policy

This policy may be cancelled or varied from time to time by Council resolution or if statutory/legislative requirements require so. All the organisation's employees will be notified of any variation to this policy by the normal correspondence method.

Document Control	
Responsible Directorate	Office of the CEO
Relevant Section	Governance
Legislative Reference	
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Amendments, Date & Resolution #	
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Next Review Date	
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