



CORPORATE POLICY NO 3.3 (HR 9.7) PAYMENTS TO EMPLOYEES IN ADDITION TO CONTRACTS OR AWARDS

STATEMENT

Pursuant to Section 5.50 of the Local Government Act 1995, 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.

SCOPE

This Policy applies to all employees.

OBJECTIVES

1. To determine the circumstances for which the Council may make a payment to employees; and
2. To effect such payments to employees, or their beneficiaries, in the manner prescribed by Council, in accordance with legislation and the requirements of this Policy.

ROLES & RESPONSIBILITIES

The council shall consider any confidential requests in accordance with legislation, merit and service of the employee.

The Chief Executive Officer (CEO) is responsible for ensuring payments are effected as directed by Council.

LEGISLATION

Payments in addition to contract or award limits under the Local Government Act 5.50 (3) and Local Government (Administration) Regulations 19A:

Section 5.50 . Payments to employees in addition to contract or award

- 1) A local government is to prepare a policy in relation to employees whose employment with the local government is finishing, setting out —
 - a) the circumstances in which the local government will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment or award relating to the employee; and
 - b) the manner of assessment of the additional amount,
 and cause local public notice to be given in relation to the policy.
- 1a) A local government must not make any payment of the kind described in subsection (1)(a) unless the local government has adopted a policy prepared under subsection (1).
- 2) A local government may make a payment —
 - a) to an employee whose employment with the local government is finishing; and
 - b) that is more than the additional amount set out in the policy prepared under subsection (1) and adopted by the local government,

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but local public notice is to be given in relation to the payment made.

- 3) The value of a payment or payments made to a person under this section is not to exceed such amount as is prescribed or provided for by regulations.
- 4) In this section a reference to a payment to a person includes a reference to the disposition of property in favour of, or the conferral of any other financial benefit on, the person.

Local Government (Administration) Regulations 19A

1. The value of a payment or payments made under section 5.50 (1) and (2) to an employee whose employment with a local government finishes after 1st January 2010 is not to exceed in total-

- (a) the value of the person’s final annual remuneration, if the person-
 - (i) accepts voluntary severance by resigning as an employee; and
 - (ii) is not a CEO or a senior employee whose employment is governed by a written contract in accordance with section 5.39:

Or

- (b) in all other cases, \$5,000.

2. In this regulation -

Final annual remuneration in respect of a person means the value of the annual remuneration paid, or payable, to the person by the local government which employed that person immediately before the person’s employment with the local government finished.

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GRATUITIES

TERMINATION OR POSITION REDUNDANCY BY NOTICE OF THE EMPLOYER

1. Negotiations and payments shall be in accordance with the Termination or redundancy provisions of the appropriate Award or Contract.
2. The CEO may at his discretion make an additional cash payment up to a maximum of \$5,000 in the last pay period of the employee.
3. Or in lieu of the cash payment, the employee receives the following professional support services:
 - Counselling support services (LGIS offer a number of free sessions)
 - Career Transition planning & job search (packages range from \$3,000 to \$5,000 depending upon position)
 - Financial budgeting advice program (value up to \$1,000).
 - Assistance to transfer to other suitable employment with other organisations

REDUNDANCIES FOR WINDING UP

4. Negotiations and payments shall be in accordance with the Redundancy Payments, Severance Payments, Introduction of Change or other similar provisions of the appropriate Award.
5. The Council may at its absolute discretion make an additional cash payment up to a maximum of \$5,000 in the last pay period of the employee.
6. The Council may, in special circumstances, determine that benefits additional to those described in this policy are to be paid to an employee. However, details of those additional benefits and/or payments shall be published in accordance with section 5.50(2) of the Local Government Act 1995.

REFERENCES & REVIEW

Statutory Compliance	<ul style="list-style-type: none"> ▪ Local Government Act 1995 Section 5.50 ▪ Local Government (Administration) Regulations 19A ▪ Fair Work Act 2009 ▪ Local Government Industry Award 2010 	
Organisational Compliance	<ul style="list-style-type: none"> ▪ SMRC RRRC Enterprise Agreement 2017 ▪ Individual Employment Contracts ▪ Workforce Plan 2018-2023 ▪ Employee Retention Incentive Payment Policy 2018 	
Approved by	Regional Council	
Next Revision Date	April 2020	
Policy Administration	Responsible Officer	Review Cycle
Corporate (HR)	Executive Manager Corporate Services	Biennial
Risk Rating	Operational Risk Register – High	
Location of document	SMRC Website – Members Area Staff Intranet SMRC, 9 Aldous Place, Booragoon – Corporate Services RRRC, 350 Bannister Road, Canning Vale – lunchrooms	

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SOUTHERN METROPOLITAN REGIONAL COUNCIL

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DOCUMENT CONTROL REGISTER

Date	Review	No.	Author	Resp Officer	SMG	CEO	Council
2004	Original	1	MAF	MAF			25/11/2004
2013	Review	2	HRM	EMCS			28/02/2013
2015	Review	3	EMCS	EMCS			26/02/2015
2018	Review	4	EMCS	CEO			22/11/2018

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