

## 8.19 Employees – Recognition of Service (Gratuity)

WALGA Workplace Relations, November 2016 – amended

<b>Statutory context</b>	Local Government Act 1995 –	
	- s.5.50 – Payments to employees in addition to Award or contract	
	Local Government (Administration) Regulations 1996,	
	- specifically regulation 19A	
<b>Corporate context</b>	None	
<b>History</b>	Adopted	26 April 2017
	Amended	24 July 2019

### Policy Statement

#### 1. 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.

Long serving employees may be recognised within the parameters set by section 5.50 of the Local Government Act 1995 and the associated Regulations.

An employee, whose employment is finishing, may be paid to a gratuity payment when their employment is ceasing due to –

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

#### 2. Gratuity

The CEO in consultation with the relevant Executive Manager, may –

- provide a gratuity to a qualifying employee in the form of a gift card or voucher from a local business within the Shire,
- exercise their discretion to provide money instead of a gift card or voucher.

#### 3. Prescribed Amounts for Gratuity Payments

Gratuity payments should be calculated based on the following prescribed amounts –

- Continuous service less than 2 years – to the value of \$30 per year of service
- Continuous service greater than 2 years – to the value of \$50 per year of service  
maximum payment of \$1,000

#### 4. 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.

#### 5. 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;

- 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 –

- d) any period of unauthorised absence from duty unless the CEO determines otherwise;
- e) any period of unpaid leave unless the CEO determines otherwise; or
- f) any period of absence from duty on parental leave unless the CEO determines otherwise.

#### 6. Financial Liability for Taxation

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

– End of Policy

### Notes

#### **Statutory requirements –**

- a) This Policy must be published on the Shire’s website.**
- b) Recognition in excess of Policy may be made only if local public notice is given prior to payment being made.**

Advertised on 4 May 2017 (Narrogin Observer)

Notes – (to be removed when no longer applicable) –

The Shire acknowledges that at the time the policy was introduced –

- a) 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. The Shire has considered these provisions when setting the prescribed amount of any gratuity payment in this policy.
- b) the financial implications to the Shire were understood and that these financial implications had been investigated based on the workforce position current at that time.