

Council Policy – Employee Recognition and Gratuity

Responsible Directorate	Office of the Chief Executive Officer
Responsible Business Unit/s	Human Resources
Responsible Officer	Manager Human Resources
Affected Business Unit/s	All

Objective

The Shire of Ashburton (the Shire) is committed to recognising employees within the parameters set by section 5.50 of the *Local Government Act 1995* (the Act) and regulation 19A *Local Government (Administration) Regulations 1996*.

This policy sets out the:

- circumstances upon which the Shire will pay an employee an amount in addition to any amount which the employee is entitled under a contract of employment, award, industrial agreement or order by a Court or Tribunal relating to the employee; and
- manner of assessment of the additional amount.

Scope

This policy applies to all employees of the Shire.

Policy Statement

Gratuity payments

When an employee resigns from their employment with the Shire 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.

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 Shire.

Eligibility for gratuity payments

An employee may be entitled to a gratuity payment as outlined within this policy, 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 for any reason, will not be eligible to receive any gratuity payment under this policy.

Prescribed amount for gratuity payments

Any gratuity payment will not exceed the amounts prescribed in regulation 19A of the *Local Government (Administration) Regulations 1996*.

Years of service	Gratuity provided
Continuous service less than 5 years	Statement of Service and a gift or contribution towards a gift of \$10 for each year of service.
Continuous service greater than 5 years but less than 10 years	Statement of Service and a gift or contribution towards a gift of \$20 for each year of service.
Continuous service greater than 10 years but less than 15 years	Statement of Service and a gift or contribution towards a gift of \$30 for each year of service.
Continuous service greater than 15 years but less than 20 years	Statement of Service and a gift or contribution towards a gift of \$40 for each year of service.
Continuous service over 20 years	Statement of Service and a gift or contribution towards a gift of \$50 for each year of service.

Determining service

For the purpose of this policy, continuous service includes any period of:

- Paid leave as set out in the Shire of Ashburton Enterprise Agreement 2022;
- Public holidays;
- Paid personal leave to the extent of three months in each calendar; and
- Absence that has been supported by an approved workers compensation claim to the extent of one year.

For the purpose of this policy, continuous service does not include any period of:

- Unauthorised absence;
- Unpaid leave; and
- Parental leave.

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 consideration the employee's performance over the period of service.

Financial liability for taxation

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

Years of service recognition

The Shire will formally recognise continuous service from five years and at subsequent five-year intervals. All employees will be awarded a certificate presented to the employee by the Chief Executive Officer or relevant Director.

End of year recognition

At the end of the calendar year, the Shire may provide all employees a gift card to the value of \$50 at the CEO's discretion.

Financial implications

The Shire acknowledges that at the time the policy was introduced, 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.

Funds will be allocated as part of the local government's Annual Budget.

Payments in addition to this policy

The Shire will not make any gratuity payment in addition to that contained within this policy, in accordance with section 5.50 of the *Local Government Act 1995*.

Definitions

Nil

Relevant policies/documents

Nil

Relevant legislation/local laws

Section 5.50 of the *Local Government Act 1995*

Regulation 19A of the *Local Government (Administration) Regulations 1996*

Office use only

Relevant delegations	Nil			
Council adoption	Date	13 December 2022	Resolution #	171/2022
Reviewed/modified	Date		Resolution #	
Next review due	Date	2024		