Council Policy – Payments to Employees in Addition to Contract or Award

Responsible Directorate	Office of the Chief Executive Officer Corporate Services
Responsible Business Unit/s	People and Culture Finance Services
Responsible Officer	Manager People and Culture Manager Finance
Affected Business Unit/s	All

Objective

The Shire of Ashburton (the Shire) is committed to recognising employees who are finishing employment with the Shire, within the parameters set by section 5.50 of the *Local Government Act 1995* (the Act) and Regulation 19A of the *Local Government (Administration) Regulations 1996*.

This policy sets out:

- the circumstances in which the Shire may make a gratuity payment to an employee in addition to any entitlement under a contract of employment, award, industrial agreement or order by a Court or Tribunal; and
- the manner in which any additional amount will be assessed and the form of payment.

Scope

This policy applies to all employees of the Shire, excluding the Chief Executive Officer.

Policy Statement

Gratuity payments

The Shire may wish to recognise the service of an employee who is finishing employment with the Shire, and who, in the judgement of the Chief Executive Officer (CEO), has made a significant and valuable contribution to the organisation. This may be recognised by way of a gratuity payment. In determining the gratuity payment to be made, the Chief Executive Officer will consider the matter on its merit having regard for:

- the employee's length of service or contribution;
- standard of performance; outstanding service.

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, where their employment with the Shire is ending due to:

- Resignation;
- Retirement; or
- Redundancy.

An employee who has been dismissed by the Shire for any reason undertaken any performance management of workplace fact-finding process, will not be eligible to receive any gratuity payment under this policy.

Prescribed amount for gratuity payments

Years of service	Gratuity provided
Continuous service less than 5 years	Statement of Service and a gift or contribution towards a gift of $50 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 $60 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 $70 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 $80 for each year service.
Continuous service over 20 years	Statement of Service and a gift or contribution towards a gift of $100 for each year of service.

Regulation 19A of the *Local Government (Administration) Regulations 1996*, limits the monetary value of gratuities paid to employees who are finishing employment with a local government to $5,000.

Determining service

For the purpose of this policy, continuous service includes:

- Paid leave, as defined under the *Shire of Ashburton Industrial Agreement 2026* (or subsequent agreement);
- Public holidays; 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; or

- Unpaid leave.

Final determination

The CEO, or their delegate, will make the final determination as to whether a gratuity payment will be made. This decision will take into consideration the employee's performance, including alignment with Shire's values over the period of service.

Financial implications

Funds for gratuity payments under this policy are allocated as part of the Shire's Annual Budget. Years of service gratuity payments are by gift card only.

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

Payments in addition to this policy

The Shire will not make any payments in addition to those contained within this policy to employees finishing with the Shire, until this policy is amended to reflect the varied amount/s and the local public notice requirements under section 5.50(2) of the Act, for any variation proposed are complied with.

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			
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