



Shire of **Ngaanyatjaraku**
ON A JOURNEY

Council Policy

Policy 3.3 – Employee Gratuity Payments

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Council Policy 3.3 – Employee Gratuity Payments

Policy Objective

To set out circumstances when an employee who is ceasing employment with the Shire may be paid an amount in addition to their entitlements under an award, workplace agreement or contract of employment, in accordance with the requirements of Section 5.50 of the *Local Government Act 1995*.

Policy Statement

The Policy, which is discretionary, allows the CEO and Council to make a payment to recognise the loyal and dedicated service of employees to the Shire. 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 or as a contribution towards their relocation costs as the Shire is in a very remote location.

Scope

This policy is applicable only to permanent full-time employees of the Shire and does not form a contractual entitlement for any employee of the Local Government.

A pro rata value of gratuity may be considered for permanent part time employees.

Eligibility for Gratuity Payments

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

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

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

Prescribed Amounts for Gratuity Payments

Length of Continuous Service	Value of Gratuity
2 years	\$2,000
3 years	\$3,000

4 years	\$4,000
5 years or more	\$5,000

The *Local Government (Administration) Regulations 1996* prescribes the maximum allowable value of a gratuity. Gratuities shall not exceed statutory limits.

Determining Service

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

- a) Any period of absence from duty of annual leave, long service leave, paid bereavement 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 but only to the extent of three months in each calendar year but not including leave without pay or parent leave; and
- c) Any period of absence supported by an approved workers compensation claim up to a maximum absence of one year.

For the purpose of this policy, continuous service shall not include:

- a) Any period of unauthorised absence from duty.
- b) Any period of unpaid leave.
- c) Any period of absence from duty on 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 account the employee's performance over the period of service.

Financial Liability for Taxation

The employee accepts full responsibility for any taxation payable on the Gratuity Payment and agrees to fully indemnify the Local Government 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, until the Policy has been amended to reflect the varied amount and public notification has been given of the variation as required by relevant legislation.

Policy History

Amendments to this Policy

Amendments to this policy require a simple majority decision of Council.

History

Policy adopted: 24 June 2020

Policy reviewed: 28 June 2023

Previous Policy

N/A

