

Council Policy – Payments to Employees in Addition to Contract on Cessation of Employment

Responsible Directorate	Executive Services
Responsible Business Unit/s	People & Development
Responsible Officer	Manager People, Development and Wellbeing
Affected Business Units	All

Objective

The purpose of this policy is to outline the circumstances in which a payment may be made to an employee who is ceasing employment with the Shire of Serpentine Jarrahdale (the Shire) in accordance with the *Local Government Act 1995* (the Act).

Decisions under this policy are to be made:

- By the Council – where the decision involves a payment to the CEO; and
- By the CEO – where the decision involves a payment to any other employee of the Shire.

Scope

This policy applies to all staff employed by the Shire with the exception of the CEO or a Senior Employee not governed by a written contract as set out in the Act.

Policy

The Shire may wish to recognise an employee for outstanding dedication and/or performance which and who, in the judgement of the Chief Executive Officer, has made a significant and valuable contribution to the organisation in the circumstances of resignation or retirement. This may be recognised by way of a gratuity payment

Gratuity Payments

The Shire may wish to recognise the service provided by an employee, who is finishing employment with the Shire, and who, in the judgement of the Chief Executive Officer, 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 length of the employee's service or contribution with the Shire and the employee's standard of performance, outstanding service and/or contribution.

These payments, when proposed to be 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.

The gratuity payment identified within this policy does not apply to an employee who has been dismissed by the Shire for any reason.

Cessation of Employment

The Shire may elect to pay to a terminating employee an amount in excess of their award or contractual entitlement where the termination of employment is a matter of serious and genuine dispute between the Shire and the employee, that is best resolved, in the judgement of the Chief Executive Officer, after considering legal and other relevant advice, on a commercially negotiated basis.

Value of Payment

The value of a payment or payments made under the Act, to an employee whose employment finishes with the Shire will be made in accordance with the *Local Government (Administration) Regulations 1996* (the Regulations) and is not to exceed in total:

- a. The equivalent value of 3 months of the employee's base annual salary, 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 the Act or
- b. In all other cases, \$5,000.

Special Circumstances

If special circumstances warrant, Council may at any time give consideration to the payment of a gratuity that is additional to that set out in this policy. In this instance public notice shall be given of the proposed additional gratuity, in accordance with the provisions of the Act.

Note: As required by the Act, this policy is to be advertised by local public notice.

Definitions

Not applicable.

Related Documents

- Council Plan 2023-2033

Legislation / Local Law Requirements

- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*,

Amendment Record

Relevant Delegations		Nil	
		Date	Resolution Number
Council Adoption		22 August 2011	CGAM008/08/11
Version	Date	Resolution Number	Amendment Details
2	20 August 2015	OCM187/09/15	
3	18 December 2017	OCM179/12/17	
4	17 March 2025	OCM068/03/25	New template. Included scope and policy introduction