Shire of Peppermint Grove

Administrative Policies - 2.6 Employees Payments in Addition to Contracts

Policy	Administrative Policies - 2.6 Employees Payments in Addition to Contracts
Purpose	To outline the circumstances in which gratuity payments may be made to an employee as a token of appreciation for their commitment and service to the Shire upon termination.
Status	Administrative - Statutory

Policy

Commitment

The Shire is committed to recognising long serving employees within the parameters set by the Local Government Act 1995 and the associated regulations.

Eligibility for Gratuity Payments

An employee may be entitled to a gratuity payment as outlined within this policy based on the completed years of service 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 Local Government);
- Retirement; or
- Redundancy.

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

Prescribed amounts for Gratuity Payments

For 2 years or more $30 per completed year, pro-rata for part-time staff with the payment to be at the discretion of the CEO. And a 'Certificate of Appreciation' will be provided.

The Shire acknowledges that at the time this policy was introduced, 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 gratuity payment in this policy.

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;
- 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
- 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 not include:

- Any period of unauthorised absence from duty unless the Shire determines otherwise;
- Any period of unpaid leave unless the Shire determines otherwise; or
- Any period of absence from duty on parental leave unless the Shire determines otherwise.

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.

Payments in addition to this Policy

The Shire agrees not to make any gratuity payment in addition to that contained within this policy until the Policy has been amended to reflect the varied amount and the Shire has caused local public notification to be given in relation to the variation.

Financial Implications

The Shire acknowledges that at the time the policy was introduced, the financial implications were understood and that these financial implications had been investigated based on the workforce position current at that time.

The Shire will take reasonable steps to notify employees prior to the variation of this policy or the introduction of any new gratuity policy.

Consequences of Breaching this Policy

The policy constitutes lawful instruction to anyone involved in administering a gratuity payment. Any breaches of the policy may lead to disciplinary action.

Variation to this Policy

This policy may be cancelled or varied from time to time. All the organisation's employees will be notified of any variation to this policy by the normal correspondence method.

Amended Authority Level	Council
Related Delegation	
Related Local Law/Legislation	Local Government Act 1995 (Sections 5.36 (2 - 3), 5.41 (g) & 5.50) Local Government (Administration) Regulations 1996 (Reg. 19A)
Adopted/Amended	December 2016
Reviewed	22 September 2026