

ST1. Benefits to Departing Employees

Policy Objective

This policy recognises the service of Shire of Dundas employees at their resignation or retirement from the Shire; and determines the way the Shire grants a gratuity payment in addition to any amount to which the employee is entitled under a contract of employment or award at the completion of their service with the Shire of Dundas.

Policy Statement

The policy sets out the guidelines with regard to gratuity payments or farewell gifts that the Shire can confer on an employee who retires or resigns from full time or permanent part-time (pro-rata payment) employment.

The policy shall be published in accordance with Section 5.50(1) of the Local Government Act 1995 and notes the limitations set by Regulation 19A of the Local Government (Administration) Regulations 1996.

A “gratuity payment” means any payment of monies in excess of any contract or award entitlement including the disposition of Shire property to any employee.

An employee who is subject to performance management or investigation by the Shire at the time of ceasing employment; or who has been dismissed for reasons other than redundancy will not be eligible to receive benefits under this policy.

The Shire may confer a gratuity payment to an employee who after continuous employment with the Shire ceases employment, retires or resigns. The maximum value allowed for the gift or gratuity will accord with the length of continuous employment by the employee with the Shire as follows:

Up to 7 years	No gratuity payment would be made unless exceptional circumstances apply and are reported to the Council by the Chief Executive Officer for consideration.
7 + years	The Shire will confer a gratuity payment to an employee after 7 years continuous service.

The value of the payment is to be calculated using the following formula:

(Personal leave in hours) multiplied by (5%) multiplied by (number years of continuous service) multiplied by (the current rate of pay on the resignation date)

The value of the payment is to be a maximum of **50%** of the accumulated personal leave entitlements at the current rate of pay on the resignation date.

Farewell Functions

The Shire will offer a farewell function to those eligible employees whose employment with the Shire is finishing as follows.

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Length of Service

- i) Service 0 - 5 years: a farewell function is not provided.
- ii) Service more than 5 years and less than 10 years: employees may attend a short farewell function during business hours. The Shire will provide a limited amount of food, tea and coffee.
- iii) Service of 10 or more years: in addition to an internal staff function (as per 1.1ii), the employee and their partner will be invited to join the Shire President and Elected Members at an Ordinary Council meeting dinner. The departing employee may elect not to have a farewell function.

Gifts

The Shire considers the gratuity payment sufficient and will not purchase a gift in recognition of the service provided by an employee whose employment with the Shire is finishing or has finished.

Note:

- The Local Government (Administration) Regulations 1996 Part 4 19A limits the monetary value of gratuities paid to employees who are finishing employment with a Local Government to \$5,000.
- If the Council wishes to approve a gratuity payment is in excess of the maximum for the relevant term of service stipulated in this policy, then it must give notice of the proposed payment in accordance with the provisions of Section 5.50 (2) of the Local Government Act 1995.
- Continuous employment does not include unpaid maternity, unpaid paternity or unpaid leave in excess of three months.
- The gratuity payment will be calculated only on personal leave accrued during employment with the Shire of Dundas, not the amount of personal or sick leave transferred from a former local authority under the previous award.
- The employee is responsible for any taxation implications associated with the payment.

Policy Adopted November 2021