

Employee Gratuity Payments

Policy Objective

To set out circumstances when an employee who is ceasing employment with the Shire of Broome may be paid an amount in addition to their entitlements under an award, workplace agreement or contract of employment.

To meet the requirements of Section 5.50 of the *Local Government Act 1995*.

Policy

Scope of Policy

This Policy shall only be applicable to permanent employees of the Shire of Broome.

Eligibility for Gratuity Payments

When an employee's services are ceasing with the Shire of Broome for any of the reasons identified below, the employee may be entitled to a gratuity payment as outlined within this policy, based on completed years of service:

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

The Gratuity Payment identified within this policy does not apply to an employee who has been dismissed by the Local Government for any reason other than redundancy.

Prescribed Amounts for Gratuity Payments

Number of Years of Service	Amount of Gratuity
Continuous service less than 5 years	A Statement of Service
Continuous Service greater than 5 years, but less than 10 years	A Statement of Service and a gift or contribution towards a gift of \$20 for each year of service. Items to be presented to the employee by the Chief Executive Officer or nominated representative at a time and place

	determined to be suitable by the Chief Executive Officer.
Continuous Service greater than 10 years but less than 15 years.	A Statement of Service and a gift or contribution towards a gift of \$30 for each year of service. Items to be presented to the employee by the Shire President or nominated representative at a time and place determined to be suitable by the Chief Executive Officer.
Continuous Service greater than 15 years but less than 20 years	A Statement of Service and a gift or contribution towards a gift of \$40 for each year of service. Items to be presented to the employee by the Shire President or nominated representative at a time and place determined to be suitable by the Chief Executive Officer.
Over 20 Years of Services	A Statement of Service and a gift or contribution towards a gift of \$50 for each year of service. Items to be presented to the employee by the Shire President or nominated representative at a time and place determined to be suitable by the Chief Executive Officer.

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.

Determining Service

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

- Any period of absence from duty of annual leave, long service leave, paid bereavement 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 but only to the extent of three months in each calendar year but not including leave without pay or parent leave.
- Any period of absence that has been 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:

- Any period of unauthorised absence from duty unless the Local Government determines otherwise.

- Any period of unpaid leave unless the Local Government determines otherwise.
- Any period of absence from duty on Parental Leave unless the Local Government determines otherwise.

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 of Broome 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.

The Shire of Broome acknowledges that at the time of the policy's introduction they were fully aware of the financial implications associated with this policy and these had been investigated based on the current workforce position.

Document Control Box							
Document Responsibilities:							
Owner:	Chief Executive Officer			Owner Business Unit:	Office of the CEO		
Reviewer:	Manager People and Culture			Decision Maker:	Council		
Compliance Requirements:							
Legislation:	s.5.50 Local Government Act 1995 R.19A Local Government (Administration) Regulations 1996						
Industry:							
Organisational:							
Document Management:							
Risk Rating:	Low	Review Frequency:	Triennial	Next Due:	12/2022	Records Ref:	
Version #	Decision Reference:		Synopsis:				
1.	7 June 2007		OMC Initial Adoption				
2.	12 December 2019		Reviewed and converted to new policy template				