

P 7 – Gratuity Gifts & Payments to Departing Employees

1 Objectives

The objectives of the Gratuity Gifts & Payments to Departing Employees Policy are to:

- 1.1 Recognise the contribution of employees during their period of employment with the organisation.
- 1.2 Reward employees for longevity of employment.
- 1.3 Provide guidelines for the payment of gratuities to employees who are leaving the organisation.
- 1.4 Ensure compliance with Section 5.50 of the *Local Government Act 1995*.

2 Scope

This policy applies to all employees.

3 Definitions

Councillor

means members of an elected body that make decisions on behalf of a local government through a formal meeting process. Generally, local government council members, who include the Mayor or President and Councillors, do not have any authority to act or make decisions as individuals.

Employee

means a person that's hired to provide a service to a company either on a full-time, part-time or casual basis in exchange for payment. Also known as staff.

Gratuity

means a sum of money paid to an employee at the end of a period of employment.

Worker

means a worker is any person who carries out work for a Person Conducting a Business or Undertaking (PCBU), including work as an employee, outworker, apprentice or trainee, work experience student, placed with a 'host employer' and volunteers.

4 Policy

- 4.1 Pursuant to the provisions of Section 5.50 of the Local Government Act 1995, the council has adopted the following guidelines with respect to the payment of gratuities to employees who are leaving the organisation.
- 4.2 Council will provide a gift of the value stipulated in the table below (Table 1) to all departing employees who have served a continuous period of employment with the organisation.
- 4.3 A gratuity gift or payment will not be provided to an employee who has been terminated for any reason other than redundancy.

- 4.4 The CEO has delegated authority to purchase a gift for the departing employees on behalf of the council.
- 4.5 For the purposes of this policy continuous service will include:
- Any period of absence from duty by annual leave, long service leave and/or bereavement leave.
 - 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 parental leave.
 - Any period of absence that has been supported by an approved workers' compensation claim up to a maximum of one year.

Table 1 Gratuity's Table

Length of Continuous Service	Value of Gratuity Gift
2-10 years	\$250
10-15 years	\$300
15-20 years	\$350
20 years and more	\$500

5 Accountabilities and Responsibilities

- 5.1 Council is accountable for:
- Ensuring the organisation has in place a lawful, transparent, and accountable policy framework, supported by a suite of compliant and appropriate policies and procedures.
 - Endorsing (or not) each organisational policy document in a timely and effective manner.
 - Delegating implementation of each policy document to the CEO.
- 5.2 The CEO is accountable for ensuring the development, implementation, monitoring and review of this policy document, in accord with governing legislation and Council directives.
- 5.3 The Executive Management Team and Managers is responsible for:
- Ensuring that all employees under their direction comply with this policy document.
 - Enacting process to redress non-compliance with this policy document.
- 5.4 All employees are individually responsible for complying with this policy document.

6 Risk Management

If a Gratuity Gifts Payments Policy is not in place the risks include (but are not limited to):

- 6.1 The contribution of employees during their period of employment with the organisation is not recognised.
- 6.2 Long-term employees may not consider longevity to be valued by the organisation.
- 6.3 There are no guidelines for the payment of gratuities to employees who are leaving the organisation.

6.4 Non-compliance with Section 5.50 of the *Local Government Act 1995*.

7 Reference Documents

Act	<i>Local Government Act 1995</i> s.2.7(2)(b) – The council is to determine the local government’s policies s.5.50 – Payments to employees in addition to contract or award
Regulation	r.19A <i>Local Government (Administration) Regulations 1996</i> – payments in addition to contract or award, limits of
Local Law	N/A
Policy	N/A
Procedure	N/A
Other Documents	N/A

8 Version Control

Version	Date	Author	Amendments
V1	17 December 1998	T Clynch (CEO)	Original Document
V2	28 April 2022	T Clynch (CEO)	One year review
V3	25 July 2024	N Gibbs (CEO)	Three year review
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