

Payments to Employees in Addition to a Contract or Award Council Policy

Responsible directorate: Office of the Chief Executive Officer

Objective: To establish the City of Joondalup's processes in relation to the payment of employees in addition to a contract or award upon leaving the organisation.

1. Authority:

This Policy has been prepared pursuant to Section 5.50 of the *Local Government Act 1995*.

2. Application:

This Policy applies to all employees except those designated as senior employees, in which case the terms of the respective senior employee contract of employment and relevant legislation shall apply.

3. Definitions:

“redundancy” means a situation where the employer no longer requires a specific job to be performed because of changes in the operational requirements of the organisation.

“senior employee” means all employees holding the position of Chief Executive Officer and/or Director in accordance with Section 5.37 of the *Local Government Act 1995*.

“severance payment” means a payment in lieu of notice periods specified in City of Joondalup Enterprise Agreements plus accrued leave entitlement in accordance with the formula and conditions set out in City of Joondalup Enterprise Agreements.

4. Statement:

The City will consider payments to employees in addition to a contract or award for the purposes of finalising redundancy or severance in accordance with Section 5.50 of the *Local Government Act 1995*.

5. Details:

5.1. General legislative compliance:

When finalising redundancy or severance packages, the consideration of payments in addition to existing entitlements under a contract, award or agreement will be determined by the Chief Executive Officer in accordance with Section 5.50 of the *Local Government Act 1995* and Regulation 19A of the *Local Government (Administration) Regulations 1996*.

5.2. Manner of assessment of additional payment:

Additional payments will be calculated as follows:

- In the case of severance, two weeks' pay for each completed year of service to a maximum of the prescribed amount being the value of the person's final annual remuneration.
- In the case of redundancy, any additional payment/s above the legislated or contractual requirements shall be at the discretion of the Chief Executive Officer and based on the eligibility criteria to the maximum prescribed under Section 19A of the *Local Government (Administration) Regulations 1996*.
- In respect of an annual salary, the cash component of an additional payment will be adjusted to recognise any motor vehicle usage in accordance with the current formula contained within the most recent agreement or award.

5.3. Other employment-related court actions and/or matters:

The City may pay a severance payment to an employee where the employee's employment at the City is finishing further to:

- a claim made by an employee or former employee has, or proposes to, take action or make a claim under any relevant employment legislation; or
- where at the reasonable discretion of the Chief Executive Officer, the City elects to make a payment as part of a settlement with the employee to avoid an anticipated claim or action; and
- any such decision will be made in accordance with Regulation 19A of the *Local Government (Administration) Regulations 1996* and *Workers Compensation and Injury Management Act 1981*.

5.4. Any proposed payment exceeding \$5,000 is subject to Council approval.

Creation date:	October 2005 (CJ206-10/05)
Formerly:	<ul style="list-style-type: none">• Council Vehicles — Mayor and Council Offices Policy• Employment Policy• Equal Employment Opportunity Policy• Payment to Employees in Addition to Contract or Award Policy• Selective Voluntary Severance Policy• Staff Uniforms Policy
Amendments:	CJ035-03/13, CJ182-10/18, CJ154-08/23
Last reviewed:	August 2023 (CJ154-08/23)
Related documentation:	<ul style="list-style-type: none">• Equal Opportunity Act 1984• Fair Work Act 2009• Local Government Act 1995• Workers Compensation and Injury Management Act 1981• Local Government (Administration) Regulations 1996
File reference:	00384