

Payments to Employees in Addition to a Contract or Award Policy

City Policy

Responsible Directorate: Office of the Chief Executive Officer

Objective: To give effect to Section 5.50 of the *Local Government Act 1995* 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 Contract of Employment and relevant legislation shall apply.

3. Definitions:

“**redundancy**” means a situation where the employer no longer requires a specific position to be performed by a person(s) because of changes in the operational requirements of the organisation.

“**voluntary severance**” means a financial payment made to a person who voluntarily chooses to end their employment in a situation where surplus positions within the organisation are identified.

“**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* (as amended).

4. Statement:

To give effect to Section 5.50 of the *Local Government Act 1995*, the following details shall apply.

5. Details:

5.1. General Legislative Compliance:

When finalising redundancy or voluntary 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 Regulation 19A of the *Local Government (Administration) Regulations 1996*.

This would establish:

- a maximum additional entitlement of \$5,000 for circumstances relating to a redundancy; and
- a maximum entitlement of a person's annual remuneration for circumstances relating to voluntary severance.

5.2. Eligibility Criteria:

A person's eligibility for such payments will be based on the following criteria:

- The person has been in the employment of the organisation for a continuous period of over ten years; and
- Performance records demonstrate a commendable or outstanding level of performance throughout the duration of the person's employment to the satisfaction of the Chief Executive Officer.

5.3. Payment Calculation:

Additional payments will be calculated based on:

- In the case of voluntary severance, two weeks' pay for each completed year of service.
- In the case of redundancy at the discretion of the Chief Executive Officer based on the eligibility criteria to the maximum allowable of \$5,000.
- For an annual salary, the cash component will be adjusted to recognise motor vehicle usage in accordance with the current formula contained within the most recent Award.

5.4. Other Employment-Related Court Actions and/or Matters:

The City may pay a severance payment to an employee in settlement of a claim where an employee or former employee has, or proposes to, take action or make a claim under any relevant employment legislation. Any such decision will be made in accordance with Regulation 19A of the *Local Government (Administration) Regulations 1996*.

Creation Date: October 2005

Formerly:

- *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: CJ206-10/05, CJ035-03/13, CJ182-10/18

- Related Documentation:**
- *Equal Opportunity Act 1984*
 - *Fair Work Act 2009*
 - *Local Government Act 1995*
 - *Workers Compensation and Injury Management Act 1981*