

## Shire of Mundaring

# POLICY

### BENEFITS TO DEPARTING EMPLOYEES

<b>Policy Ref:</b>	<b>HR 02</b>		
<b>Committee Rec:</b>	SPC 06.02.06	<b>Date:</b>	20 Feb 2006
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<b>Policy</b>	Recognition of Continuing	<b>Delegation Ref:</b>	
<b>Cross Ref:</b>	Employee Services		
<b>Statute Ref:</b>	s5.50 <i>Local Government Act 1995</i>		
<b>Local Law Ref:</b>			

#### PURPOSE

To recognise the service of employees at the time of their resignation or retirement from the Shire, and to satisfy the requirements of s5.50 of the *Local Government Act 1995* in this regard.

#### POLICY

##### 1. Farewell Functions

The Shire will offer a farewell function to those employees whose employment with the Shire is finishing:

###### 1.1 Length of Service

- i) Service 0-1 year: a farewell function is not provided.
- ii) Service more than 1 year and less than 5 years: employees may attend a short farewell function at morning or afternoon tea. The Shire will provide a limited amount of food, tea and coffee.
- iii) Service more than 5 years and less than 10 years: employees may stop work 15 minutes before the end of normal working hours on a selected day and gather at a farewell function. The Shire will provide a limited amount of food and refreshments. The function is not to proceed more than 60 minutes beyond normal office closing time if held on Shire premises.
- iv) Service of 10 or more years: employees may stop work 15 minutes before the end of normal working hours on a selected day and gather at a farewell function. The Shire will provide more substantial food and

refreshments. The function is not to proceed more than 120 minutes beyond normal office closing time if held on Shire premises.

- V) Service of 20 or more years: in addition to an internal staff function (as per 1.1 iv), the employee and his/her partner will be invited to join the President and Councillors at a Council meeting dinner and a certificate and gift will be presented at the beginning of the Council meeting.

#### 1.2 Attendance at Farewell Functions

Attendance at any farewell function is voluntary.

#### 1.3 Type of Farewell Function

Regardless of the length of service, an employee may elect to have a function of a lesser type than that indicated, or may elect not to have a function at all.

#### 1.4 Time Limits

Time limits for use of Shire premises may be altered at the discretion of the Chief Executive Officer or his nominee, particularly where the employee may have served a very long period of employment.

### 2. Gifts

The Shire will purchase a gift in recognition of the service provided by an employee whose employment with the Shire is finishing as follows:

- (a) 5 years – a gift up to the value of \$100.00
- (b) 10 years – a gift up to the value of \$250.00
- (c) 15 years - a gift up to the value of \$500.00
- (d) 20 years – a gift to the value of \$750.00
- (e) 25 years – a gift to the value of \$1000.00
- (f) 30 years – a gift to the value of \$1,500.00
- (g) 35 years or more – a gift to the value of \$2,000.00

The Shire President or his/her nominee will be invited to present the gift to the employee on behalf of the Council.

### 3. Gratuity

As a token of appreciation the provision of a gratuity to employees whose employment with the Shire is finishing will be paid as follows:

- (a) Prior to completion of 10 years' service – nil.
- (b) Upon resignation/retirement prior to completion of 10 years' service, on account of illness – at Council's discretion if the employee is the CEO, or at the CEO's discretion if the employee is not the CEO.

- (c) On completion of 10 years' service – one day's salary ("salary" not inclusive of allowances or any other bonuses).
- (d) More than 10 years' service – one day's salary plus 50% of one day's salary for each completed year of service beyond 10 years ("salary" not inclusive of allowances or any other bonuses), up to a maximum of \$5000.

The Shire of Mundaring will be responsible for any fringe benefit tax liability.

#### **4 Payments to employees where employment ends**

##### **4.1 Additional payment**

The Shire may pay to an employee whose employment with the Shire is finishing an amount not exceeding the prescribed maximum amount.

##### **4.2 Prescribed maximum amount**

At the date of the last review of this Policy, the prescribed maximum payment or payments under this Policy for an employee whose employment with the Shire finishes after 1 January 2010 must not exceed in total –

- (a) if the employee accepts voluntary severance by resigning as an employee, the value of the employee's final annual remuneration; or
- (b) in all other cases, \$5,000. (See regulation 19A of the *Local Government (Administration) Regulations 1996*.)

(Note - "**final annual remuneration**" means the value of the annual remuneration paid, or payable by the Shire immediately before the person's employment with the Shire finished.)

##### **4.3 Exercise of discretion**

- (1) A payment under this clause is to be at the discretion of –
  - (a) the Council, if the employee is the CEO; or
  - (b) the CEO, if the employee is not the CEO.
- (2) In determining whether a payment to a particular employee should be made under this clause and, if so, the amount of that payment –
  - (a) the Council, if the employee is the CEO; or
  - (b) the CEO, if the employee is not the CEO,

is to take into account the length of service to the Shire of that employee.