

## HUMAN RESOURCES

### HR 2.4 Gratuity, Gifts and Departing Employees

<i>Responsible Department</i>	Chief Executive Officer
<i>Resolution Number</i>	C.2440
<i>Resolution Date</i>	20/05/2015
<i>Next Scheduled Review</i>	2017
<i>Related Shire Documents</i>	
<i>Related Legislation</i>	<i>Pursuant to s 5.50 of the Local Government Act 1995 Local Government Regulations – Reg 19A – Restrictions on Gratuity Payments to Employees</i>

#### OBJECTIVE

To ensure the public is informed on the basis for any such gratuity payment and all Local Government staff are familiar with the legislative requirements regarding gratuities for the formal recognition of satisfactory and extended service by the Local Government's employees.

#### SCOPE

All Employees.

#### POLICY

##### 1. 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) 1 - 3 years – a gift up to the value of \$150
- (b) 4 - 5 years – a gift up to the value of \$250
- (c) 5 - 10 years - a gift up to the value of \$500
- (d) 10 - 15 years – a gift to the value of \$750
- (e) Over 15 years – a gift to the value of \$1000

Employees whose employment is finishing and have served in excess of fifteen (15) years will be invited to attend a meeting of Full Council, where the Shire president

and CEO shall make a presentation to the employee recognising their years of service to the Shire of Northam.

## **2. 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 Northam will be responsible for any fringe benefit tax liability.

The value of a payment or payments made under this policy and sections 5.50(1) and (2) of the Local Government Act 1995 to an employee whose employment with a Local Government finishes after 1 January 2010 is not to exceed the amounts prescribed in the Act and associated Regulations.

## **3 Exercise of discretion**

- (1) A payment and the amount of that payment under this policy 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.