



COUNCIL POLICY

1.2.6

Administration

Title:	1.2.6 GRATUITIES
Adopted:	21 November 2018
Last Reviewed:	16 December 2020
Associated Legislation:	Sections 5.50 of the Local Government Act 1995. Regulations 19A of the Local Government (Administration) Regulations 1996
Associated Documents:	
Review Responsibility:	Chief Executive Officer
Delegation:	Chief Executive Officer

Objective:

A gratuity payment, in the form of a monetary payment or gift(s) to an equivalent value may be given as a token of appreciation for an employee's commitment and service to the Shire of Mingenew (Local Government), only when the employee is finishing their employment with the Local Government. This policy outlines the circumstances in which gratuity payments may be made to an employee.

A gratuity payment may be paid in addition to any amount which an employee is entitled to under a contract of employment or industrial instrument. This policy does not form a contractual entitlement for any employee of the Local Government or impact or change an employee's contractual entitlements under legislation or an industrial instrument.

This policy is to be read in conjunction with section 5.50 of the Local Government Act 1995 (WA) (Act) and regulation 19A of the Local Government (Administration) Regulations 1996 (WA) (Administration Regulation).

Policy Statement:

The Shire of Mingenew acknowledges that its employees regularly commit more in their staff roles to supporting the Shire and its community than many employees in larger local government organisations. The Council is therefore committed to suitably recognising that value-add benefit, as provided by its long serving employees.

A gratuity payment entitlement is subject to completed years of continuous service as detailed in clause 4 below and is only payable at the time an employee finishes their employment with the Local Government for one of the following reasons:

- resignation (not as a result of any performance management or investigation or disciplinary process being undertaken by the Local Government)
- retirement, or
- redundancy.

An employee is not eligible to receive a gratuity payment under this policy where an employee:

- has been dismissed for any reason other than redundancy
- resigns following commencement of a disciplinary, investigation or performance management process, or



- [optional] is engaged on a maximum or fixed term contract and his/her employment ends on the contract expiry date.

The prescribed maximum amounts for Gratuity Payments, and means for their presentation is outlined in the below table:

Number of Years' Service (in either full-time or part time employment only)	Maximum amount of Gratuity and means of presentation
1. Continuous service less than two years	Nil.
2. Continuous service of greater than two completed years, and up to 10 years.	\$25 for each completed year of service (e.g. three years @ \$25/year = \$75).
3. Continuous service greater than 10 completed years and up to 20 years.	\$25 for each completed year of service (e.g. 12 years @ \$25/year = \$300). To be presented to the employee by the CEO, or nominated representative at a function to be determined by the CEO.
4. Above 20 completed years of service.	\$25 for each completed year of service (e.g. 22 years @ \$25/year = \$550). To be presented to the employee by the President or nominated representative, at a function to be determined by the CEO.

The value of the calculated gratuity can be in the form of cash, a gift, or shire property, or combination thereof. The employee accepts full responsibility for any taxation payable on a gratuity payment, and agrees to fully indemnify the Shire of Mingenew in relation to any claims or liabilities for taxation in relation to the gratuity payment.

An employee who has been dismissed by the Shire of Mingenew for any reason other than redundancy, will not be eligible to receive any Gratuity Payment.

The Chief Executive Officer (CEO) is authorised to approve payments in accordance with the limits prescribed by this policy, and to define continuous service within the accompanying procedure.

Suitable funds will be allocated as part of the Local Government's annual budget.

Payments in addition to this policy

The Council may, by resolution, determine to make a gratuity payment that is greater than prescribed in this policy but does not exceed the amount prescribed in Administration Regulation 19A, subject to Local Public Notice requirements prescribed in section 5.50(2) of the Act.



The Local Government is prohibited by section 5.50 of the Act from making any payment to an employee finishing their employment which exceeds the amount prescribed in Administration Regulation 19A.

Policy Review Communications

This policy may be cancelled or varied from time to time, however, the Shire of Mingenew will take reasonable steps (by the normal correspondence method) to notify employees prior to the variation of this policy or the introduction of any new gratuity policy.