Policy A10 – Payments to Employees in Addition to a Contract or Award - Staff Farewells and Presentations

Policy Intent

To give effect to Section 5.50 of the *Local Government Act 1995* in relation to payments to employees in addition to a contract or award, upon leaving the organisation.

This policy outlines the circumstances in which gratuity payments may be made to an employee.

Policy Statement

1. Application

This Policy applies to all employees of the Shire of Murray (Shire).

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 only when the employee is finishing their employment with the Shire.

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 Shire, 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 and Regulation 19A of the Local Government (Administration) Regulations 1996.

2. Commitment

The Shire is committed to recognising long serving employees within the parameters prescribed in the Act and Regulations.

3. Eligibility for gratuity payments

A gratuity payment entitlement is subject to completed years of continuous service as detailed in clause 6 below, and is only payable at the time an employee finishes their employment with the Shire 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.

The Council will allocate funds for the purpose of gratuity payments in the Annual Budget.

The Chief Executive Officer (CEO) is authorised to approve expenditure for the purpose of gratuity payments in accordance with this policy. The CEO may determine the form of gratuity

payments including a monetary payment or gift(s) of an equivalent value

4. Prescribed amounts for gratuity payments

Number of years' service	Amount of gratuity
Continuous service less than 10 years.	A Statement of Service and a monetary payment, gift, or contribution towards a gift, if the CEO deems that the employee has provided exceptional performance, up to the value of $50.00.
Continuous service greater than 10 years and less than 15 years.	A Certificate of Appreciation and a monetary payment or gift up to the value of $100.00. The gratuity is to be presented to the employee by the CEO, or nominated representative, at a function to be determined by the CEO up to the value of $150.00.
Continuous service greater than 15 years and less than 20 years.	A Certificate of Appreciation and a monetary payment or gift up to the value of $150.00. The gratuity is to be presented to the employee by the Shire President, or nominated representative of the Shire President, at a function to be determined by the CEO up to the value of $150.00.
Continuous service greater than 20 years.	A Certificate of Appreciation and a monetary payment or gift up to the value of $250.00. The gratuity is to be presented to the employee by the Shire President, or nominated representative of the Shire President, at a function to be determined by the CEO.

5. Determining Continuous Service

Continuous service includes:

- any period of absence from duty on approved annual leave, long service leave, paid compassionate leave, paid personal/carer's leave and public holidays, and
- any period of absence that has been supported by an approved workers' compensation claim up to a maximum absence of 12 months.

For the purpose of this policy, unless otherwise determined by Council resolution, continuous service does not include:

- any period of unauthorised absence from duty;
- any period of unpaid leave; or
- any period of absence from duty on unpaid parental leave.

6. Financial Liability for Taxation

An employee who accepts a gratuity payment, either as a gift or monetary payment, is responsible for any attributable tax liability arising for the employee and/or the Local Government.

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7. 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, which is $5,000.

8. Consequences of breaching this policy

This policy constitutes a lawful instruction to employees. Any breach of this policy may lead to disciplinary action.

9. Policy Review

The Council may periodically review this policy and may by resolution, amend or revoke this policy or adopt a new policy.

The Shire will take reasonable steps to notify employees when the policy is amended or revoked or a new gratuity policy is adopted by the Council.

Legislation

Local Government Act 1995, Section 5.50

Local Government (Administration) Regulations 1996, Regulation 19A

Policy Detail		
Responsible Directorate	Office of the CEO	
Responsible Department	People Development	
Responsible Officer	Manager People Development	
Next Policy Review / Schedule	2028 (3-yearly)	
Council Adoption	**Date / Resolution**	19 November 1998 (SCM98/0422)
Amendment Record	**Date / Resolution**	24 April 2008 (OCM08/090)
		30 June 2011 (OCM11/099)
		26 July 2012 (OCM12/149)
		25 June 2015 (OCM15/155)
		22 February 2018 (OCM18/008)
		28 October 2021 (OCM21/169)
		23 June 2022 (OCM22/070)
		23 March 2023 (OCM23/025)
		18 December 2025 (OCM25/159)