

# Payments to Employees Policy

## POL-HRM 04



### Objective

To set out the circumstances and manner of assessment in which the City of Mandurah (the 'City') will pay an employee an amount that is in addition to any amount to which the employee would normally be entitled.

### Statement

#### 1. Application

This policy applies to all employees of the City.

Decisions under this policy are to be made:

- a) by the Council – where the decision involves a payment to the CEO; and
- b) by the Chief Executive Officer (CEO) – where the decision involves a payment to any other employee of the City.

#### 2. Circumstances for payment

The City may make a payment, in addition to any amount to which the employee is entitled under a contract of employment or industrial agreement, relating to the employee in the following circumstances:

- a) redundancy – “Redundant” will be taken to mean that the duties of a position will no longer be performed by an employee of the City;
- b) local government boundary changes and amalgamations; and
- c) to settle such other termination matters (that do not relate to an employee being made redundant) in accordance with clause 4.

#### 3. Exclusions

3.1 A payment will not be made to an employee who:

- a) is redeployed within the City;
- b) accepts employment with a successful tenderer;
- c) is dismissed for serious misconduct;
- d) is employed on either a temporary or casual basis;
- e) has less than one year's service with the City, or
- f) is classified as a trainee or apprentice or is under probation.

3.2 In addition to the exclusions in clause 3.1, where an employee's position is made redundant as a result of all or part of the functions of that position being undertaken by a contractor, a payment will not be made to the employee but, in this case, the City will encourage the contractor to engage the employee.

#### 4. Determination of payment

4.1 Definition

In the context of a 'payment' to an employee, the term 'weeks' pay' –

- a) means the weekly salary or wage payable to the employee calculated in line with the 'base rate of pay' definition contained within the current City of Mandurah Enterprise Agreement or as otherwise defined within an officer's contract of employment;
- b) includes salary or wages specifically sacrificed for additional non-award benefits; and

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- c) excludes the value of any non-award benefit normally provided for the employee's position (such as a vehicle and where normal use of that vehicle is a non-cash component of a salary package, and any over award superannuation provided to employees).

### 4.2 General maximum payment

The maximum payment to an employee under regulation 19A of the *Local Government (Administration) Regulations 1996*, where the employment with the City finishes after 1 January 2010, must not exceed:

- a) *if the person accepts voluntary severance by resigning, the value of the person's final annual remuneration; or*
- b) *in all other cases, \$5,000.*

### 4.3 Settlement and other terminations

For the purpose of determining the amount of a payment in respect of a settling a matter under clause 2 (c), the CEO may take into account:

- a) the advice of an industrial advocate or legal practitioner on the strength of the cases of the respective parties in any litigation or claim in an industrial tribunal;
- b) the costs of any industrial advocate or legal advice and support;
- c) the general costs associated with the hearing including witness fees, travel costs and accommodation charges; and
- d) the disruption to operations.

### 4.4 Recognition for long-serving employees at time of resignation or retirement

For employees whose employment is finishing at the City, an additional payment that the employee is contractually entitled to, will include:

- a) For employees with more than 10 years and less than 15 years' service, a gift up to the value of \$100 and contribution towards an appropriate organisational event up to the value of \$150.
- b) For employees with more than 15 years and less than 20 years' service, a gift up to the value of \$150 and contribution towards an appropriate organisational event up to the value of \$150.
- c) For employees with 20 or more years of service, a gift of \$250 and contribution towards an appropriate organisational event that is determined by the Chief Executive Officer based on the employee's role, length of service and contribution throughout their employment.

## Legislative Context

*Local Government Act 1995*

s.5.50(1) Payments to Employees in addition to contract or award

*Local Government (Administration) Regulations 1996*

r.19A Payments in addition to contract or award, limits of

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**Responsible Directorate:** Strategy and Economic Development

**Responsible Department:** People and Culture

**Reviewer:** Manager People and Culture

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Amendments			
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2	Minute G.57/2/12	29/02/2012	24/02/2015
3	Minute G.35/2/15	25/02/2015	23/07/2019
4	Minute G.12/7/19	24/07/2019	28/9/2021
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