

1. Background

The *Local Government Act 1995* requires the Town of Cottesloe to prepare a policy in relation to employees whose employment with the local government is finishing, setting out:

- The circumstances in which the local government will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment or award relating to the employee.
- The manner of assessment of the additional amount.

This policy is intended to meet the requirements of the *Local Government Act 1995*.

It gives the Town of Cottesloe the option of rewarding staff with an appropriate gift with the value of the gift being determined mainly by length of service.

2. Objectives

To provide guidelines for circumstances where the Town of Cottesloe may consider paying a member of staff over the agreed level, according to the relevant Award and Contract of Employment, or other contractual arrangement or document, current at the time that staff members' employment with the Town of Cottesloe is finishing.

Such reasons for termination of employment include retirement, cessation of contract, termination of contract and resignation on grounds of ill health, death, redundancy and severance.

3. Policy

3.1 Policy in Case of Employees Terminating Due to Dismissal

No payment to be made.

3.2 Policy in Case of Employees Terminating Due to Ordinary and Customary Retirement

Examples are:

- Voluntary retirement due to age or sickness.

3.2.1 Conditions

A gift may be purchased for any retiring employee at the discretion of the Chief Executive Officer upon the employee's resignation due to ill health (or to the employee's beneficiaries following the employee's death) or for any other circumstances leading to retirement, under the following conditions:

- Employees who have completed up to five years' service may receive a gift up to the value of \$200, on the basis of \$40 for each year of service.
- Employees who have completed over five years service may receive a gift of an additional \$80 per year of service for each year of service over five years, up to a maximum of \$520 (for example \$200 plus \$320) at the discretion of the Chief Executive Officer.

In assessing the amount to be paid for a gift, consideration will also be given to the level of performance exhibited by the employee, health circumstances and/or family hardship in cases of death or retirement on grounds of ill health.

Council may, in special circumstances, determine that benefits additional to those described in this policy are to be paid to an employee, however, details of those additional benefits and/or payments shall be published in accordance with Section 5.50 of the *Local Government Act 1995*.

3.3 Policy in Case of Employees Terminating Due to Resignation or Redundancy

Examples are:

- Voluntary resignation due to having secured other employment.
- Voluntary resignation due to personal or family reasons etc.
- Redundancy and/or severance as a result of organisational restructuring.

3.3.1 Conditions

A gift may be purchased for any resigning or redundant employee at the discretion of the Chief Executive Officer under the following conditions:

- Employees who have completed up to five years' service may receive a gift up to the value of \$100, on the basis of \$20 for each year of service.
- Employees who have completed over five years service may receive a gift of an additional \$40 per year of service for each year of service over five years, up to a maximum of \$260 (for example, \$100 plus \$160) at the discretion of the Chief Executive Officer.

In assessing the amount to be paid for a gift, consideration will also be given to the level of performance exhibited by the employee and the extent to which they may have positively and constructed with any relevant organisational restructuring process.

Council may, in special circumstances, determine that benefits additional to those described in this policy are to be paid to an employee, however, details of those additional benefits and/or payments shall be published in accordance with Section 5.50 of the *Local Government Act 1995*.

3.4 Policy for Other Circumstances

Examples are:

- Serious illness requiring hospitalisation
- Surgery (excluding day procedures)
- Birth of a child
- Death of a close relative or partner

3.4.1 Conditions

A maximum payment of \$100 for all gifts. Provision of such a gift is to be at the discretion of the Chief Executive Officer.

Council may, in special circumstances, determine that benefits additional to those described in this policy are to be paid to an employee, however, details of those additional benefits and/or payments shall be published in accordance with Section 5.50 of the *Local Government Act 1995*.

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| Adopted | 27 August 2007 |
| Reviewed | 26 August 2013 |
| Reviewed | 25 July 2017 |
| Expected date of review | |