

Payments to Employees Above Contract or Award Policy

Objective

To ensure payments made to employees finishing employment, in addition to their contract or award, complies with the conditions prescribed in the *Local Government Act 1995*.

Policy Statement

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

- payment is not to exceed that prescribed by regulations.
- 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; and
- the manner of assessment of the additional amount, and cause local public notice to be given in relation to the policy.

Assessment:

Periods of Service: In recognition of long periods of service to the City of Albany, Council will therefore consider the payment to an employee, who is finishing, of an additional cash amount to which they would be entitled.

Completed Continuous Years of Service	Monetary Value
10 years	\$250
15 years	\$500
20 years	\$750
25 years +	\$1,000

Achievement: In recognition of exceptional performance in achieving major organisational challenges and goals can be given within the prescribed limits by the Chief Executive Officer, after consultation with the Mayor.

Scope

This policy only applies to employees of the City of Albany.

Legislative and Strategic Context

- **Local Government Act 1995:** Section 5.50 states:
 - (1) A local government is to prepare a policy in relation to employees whose employment with the local government is finishing, setting out —
 - (a) 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; and
 - (b) the manner of assessment of the additional amount, and cause local public notice to be given in relation to the policy.
 - (1a) A local government must not make any payment of the kind described in subsection (1)(a) unless the local government has adopted a policy prepared under subsection (1).
 - (2) A local government may make a payment —
 - (a) to an employee whose employment with the local government is finishing; and
 - (b) that is more than the additional amount set out in the policy prepared under subsection (1) and adopted by the local government, but local public notice is to be given in relation to the payment made.
 - (3) The value of a payment or payments made to a person under this section is not to exceed such amount as is prescribed or provided for by regulations.
 - (4) In this section a reference to a payment to a person includes a reference to the disposition of property in favour of, or the conferral of any other financial benefit on, the person.
- **Local Government (Administration) Regulations 1996:** Regulation 19A states:

19A. Payments in addition to contract or award, limits of (Act s. 5.50(3))

 - (1) The value of a payment or payments made under section 5.50(1) and (2) to an employee whose employment with a local government finishes after 1 January 2010 is not to exceed in total —
 - (a) the value of the person's final annual remuneration, if the person —
 - (i) accepts voluntary severance by resigning as an employee; and
 - (ii) is not a CEO or a senior employee whose employment is governed by a written contract in accordance with section 5.39; or
 - (b) in all other cases, \$5 000.
 - (2) In this regulation — final annual remuneration in respect of a person, means the value of the annual remuneration paid, or payable, to the person by the local government which employed that person immediately before the person's employment with the local government finished.

Review Position and Date

This policy must be reviewed every two years after a general Local Government election, or earlier if Council considers it necessary.

Associated Documents

- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*

Definitions

- **Employee:** Means a person employed by the City of Albany, under an award or contract.

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