

1.40 Payments to Employee Above Contract or Award Policy

Policy Owner	Executive Director Corporate & Commercial Services
Responsible Officer	Manager People & Culture
Date of Approval	23/06/2015
Amended/Revised	25/06/2024

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*.

Scope

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

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.

Legislative and Strategic Context

Local Government Act 1995:

Section 5.50 of the Local Government Act 1995 outlines the requirements for local governments in Western Australia regarding payments to employees whose employment is ending.

The key points include:

- Local governments must prepare a policy detailing the circumstances and manner in which additional payments beyond contractual or award entitlements will be made to employees whose employment is finishing.
- This policy must be publicly notified.
- Payments cannot be made unless the policy has been adopted.
- Local governments can make payments exceeding the policy's specified amounts, but public notice must be given for such payments.
- The total value of payments must not exceed the amount prescribed by regulations.
- The term "payment" includes any financial benefit or property disposition in favour of the employee.

Local Government (Administration) Regulations 1996:

Regulation 19A of the Local Government (Administration) Regulations 1996 states that 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 is not to exceed:

- The value of the person's final annual remuneration, if the person:
 - Accepts voluntary severance by resigning as an employee; and
 - Is not a CEO or a senior employee whose employment is governed by a written contract in accordance with section 5.39; or
- In all other cases, \$5,000.

The definition of "**final annual remuneration**" remains the same, referring to the value of the annual remuneration paid or payable to the person by the local government immediately before their employment ends.

Community Strategic Plan 2032:

- **Pillar:** Leadership. A well-governed city that uses resources wisely to meet local needs.
- **Outcome:** 14 Strong workplace culture and performance.
- **Objective:** 13.1 Provide strong, accountable leadership.

Review Position and Date

This document is to be reviewed annually.

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.