

Payments to Employees in Addition to Contract or Award Policy

Objectives

This policy sets out the circumstances in which the Town of Bassendean (the Town) will pay an employee who is ceasing employment at the Town, an amount in addition to any amount to which the employee is entitled to under a contract of employment, industrial instrument, or as ordered by a Court or Tribunal and the matter of assessment of the additional amount.

This Policy ensures compliance with Section 5.50 of the Local Government Act 1995, which requires all Local Governments to adopt a Policy relating to payment in addition to contract or award to employees who are leaving the Local Government.

Scope

This policy applies to all Town of Bassendean employees except the Chief Executive Officer.

Definitions

For the purpose of this policy —

Industrial Instrument means an instrument that has legal application with respect to minimum entitlements to those covered within its scope, including modern awards, industrial agreements and any instrument made under the industrial relations system.

Industrial Tribunals means any jurisdiction that hears and determine claims relating to employment matters.

Policy statement

1. When a payment made in accordance with this policy is permissible

Subject to the Chief Executive Officer's approval, and the employee agreeing to sign a Confidential Deed of Settlement and Release by resigning as an employee, the Town may initiate a settlement payment in accordance with the following circumstances:

- **Settlement of a Claim**

In settlement of a claim or dispute where the employee has or proposes to take action under the relevant industrial relations legislation, up to a maximum of 26 weeks.

- **Illness or Impairment**

To facilitate a situation where an employee is unable to perform their role due to illness or impairment and there has been mutual agreement that the employment must end, up to 26 weeks' pay.

- **Poor Performance/Conduct**

To facilitate a situation where the Town determines an employee is not performing to the satisfaction of the Town, and the Town proposes that it is beneficial to the Town to end the employment relationship by paying a settlement, up to 12 weeks' pay.

2. Manner of Assessment of the Payment

Where the settlement payment is based on the weekly pay, this is the normal ordinary pay (excluding overtime, vehicles or any other allowances or superannuation).

In assessing the payment, the following will be considered:

- The amount recommended by a Court or Tribunal to settle the matter
- The exposure to litigation and the strength of the respective cases
- The cost of legal services
- Disruption to operations
- Length of service and personal circumstances of the employee
- Position held by the employee

3. Other circumstances when a payment in accordance with this policy is permissible

Employees who have worked with the Town for a minimum of ten (10) years, and who have confirmed their intent to retire permanently from the workplace may receive a corporate gift to a maximum value up to \$500, subject to their being no recent performance or conduct concerns.

4. Ceasing Employment

The Town will not make payments of gratuities to employees upon retirement or resignation. In instances where an Employee has at least 10 years continuous service and resigns, the Town may make provision to a maximum of \$500 contribution for a leaving gift and meet the cost of an appropriate farewell celebration as determined by the CEO.

5. Reporting

Payments made under this policy are to be reported to the Audit and Governance Committee on a quarterly basis. Statistics on the number of payments made under this Policy are to be included in the Town's Annual Report.

Document responsibilities:			
Owner:	Council	Owner Business Unit:	CEO
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Legislation	<i>Local Government Act 1995</i> <i>Local Government (Administration) Regulations 1996</i>		