



Policy	Payments to Employees in Addition to Contract or Award
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Policy Type

Council

Policy Purpose

The purpose of the Policy is to establish a position for the City of Cockburn in relation to

1. Severance pay to terminating employees including amounts as part of a contract of employment, industrial Agreement or as ordered by a Court or Tribunal;
2. Provision of an upper threshold amount that may be payable in response to minor industrial disputes; and
3. The provision of a monetary incentive for the long service of employees.
4. The assessment method of any such additional amounts.

The *Local Government Act 1995 (s5.50 (1))* requires Council to prepare a Policy detailing any payments made to employees in addition to any contract or applicable award.

Policy Statement

Severance pays to terminating employees

Subject to the mutual agreement of both the Chief Executive Officer and an Employee, the City may initiate a settlement process, by way of Employee resignation with a confidential Deed of Settlement, in the following circumstances.

Circumstance	Prescribed Upper Threshold
Where an Employee has or proposes to take action against the City under industrial relation legislation.	Up to a maximum of 52 weeks' pay
Where an Employee is unable to perform the inherent requirements of their role due to illness or injury and there has been a mutual agreement that the employment relationship must cease.	Up to a maximum of 26 weeks' pay
In instances where an ongoing employment relationship has been deemed to not be in the best interests of the organisation and/or the Employee.	Up to a maximum of 16 weeks' pay
Where the City determines an Employee is not meeting the performance expectation for a sustained period and/or demonstrates unreasonable conduct that is not conducive to a continuing working relationship and the City proposes to end the employment relationship by settlement.	Up to a maximum of 12 weeks' pay

Where the settlement payment is based on weekly pay, this is deemed to be the ordinary base rate of pay and excludes overtime, vehicle allowance, other allowances and superannuation). The prescribed upper threshold is not inclusive of any additional legislative and/or statutory entitlements that may also be payable.



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In assessing the amount to be payable, the following will be considered:

- The amount recommended by the Court or Tribunal to settle the matter.
- The risk of litigation and the strength of the respective case.
- The cost of legal services for defence.
- Disruptions to operations (including assessing employee engagement and reputational risks).
- The length of service, position held and the personal circumstances of the Employee.

Minor Industrial Disputes

Subject to mutual agreement of both the Chief Executive Officer and an Employee, the City may initiate a settlement process to resolve minor industrial disputes, in instances where a financial settlement is the only option to maintain a conducive working relationship. In these instances, severance of employment by way of resignation is not an option and settlement will mitigate the risk of adverse findings on the organisation.

An upper threshold of up to a maximum of \$10,000 may be payable in these instances and is executed through a confidential Deed of Settlement.

Long Service Employees

Long standing employees who met service recognition milestones prior to 31 December 2023, will receive:

- i. A certificate acknowledging the length of service.
- ii. A lapel pin depicting the years of service.
- iii. A payment in line with the table below.

Years of Service	Payment amount
10 years service	\$1,000.00
15 years service	\$1,500.00
20 years service	\$2,000.00
25 years service and above	\$2,500.00

Payments will be made through the City's payroll system and will be subject to marginal income taxation rates as prescribed by the Australian Taxation Office.

To recognise long serving Employees, who reach a service milestone detailed below after 1 January 2024, a report will be prepared by the People Experience team listing all Employees who have attained, or will attain, 10, 20, 30 or 40 years of service with the City within that calendar year.

Each Employee listed shall receive:

- iv. A certificate acknowledging the length of service.
- v. A lapel pin depicting the years of service.
- vi. A gift voucher to the value of:

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Years of Service	Gift Voucher Amount
10 years' service	\$200.00
20 years' service	\$300.00
30 years' service	\$400.00
40 years' service	\$500.00

The gift voucher, pin and certificate will be presented to the Employee at an event that is prescribed within the Reward and Recognition Policy (Administration Policy).

Ceasing Employment

The City of Cockburn 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 City 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.

Roles and Responsibilities

Council must endorse the provisions within this Policy and delegate authority to approval of such payments, to the prescribed maximum threshold, to the Chief Executive Officer.

The Chief Executive Officer (or nominated proxy) must approve all payments for circumstances covered by this Policy.

The Executive People Experience and Transformation is responsible for the implementation and compliance of this Policy, and in instances where clarification is required or there is a dispute provide interpretation of the provisions contained within this Policy.

Strategic Link:	Workforce Plan 2022- 2026
Category:	Governance
Lead Business Unit:	People Experience and Safety
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