



Payments to Employees in Addition to Contract or Award

Policy Type: Council Policy Policy Owner: Executive Manager People and Culture	Policy No. CP- 027 Review Date: 21 May 2024
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Policy Scope and Purpose

- 1.1 The Payment to Employees in Addition to Contract or Award Policy (**Policy**) should be read in conjunction with section 5.50 of the *Local Government Act 1995* (WA) (**Act**) and regulation 19A of the *Local Government (Administration) Regulations 1996* (WA) (**Regulations**).
- 1.2 In accordance with section 5.50(1) of the Act, this Policy outlines:
 - (a) the circumstances in which the City will pay an employee whose employment is finishing an amount which is in addition to any amount to which the employee is entitled under any applicable legislation, their contract of employment, or award relating to the employee (**Additional Amount**); and
 - (b) the manner of assessment of the Additional Amount.

Policy Statement

2. Determinations

Decisions to pay an Additional Amount under this Policy are to be made by the CEO, in accordance with the delegation limit set by Council from time to time (currently \$10,000).

3. Exclusions to payment of Additional Amount

- 3.1 For the avoidance of doubt, an Additional Amount will not be paid to an employee who:
 - (a) is the CEO or a designated senior employee under section 5.37 of the Act;
 - (b) is being redeployed to another position within the City or with a successful tenderer of the City;
 - (c) is being terminated due to redundancy;
 - (d) is suspected of, or is being dismissed for, serious misconduct;
 - (e) is employed on either a fixed term or casual basis;
 - (f) has less than one year's service with the City;
 - (g) is classified as a trainee or apprentice; or
 - (h) is under probation while their employment is ending.



4. Purpose of payment of Additional Amount

Payment of an Additional Amount under this Policy will generally be for purpose of outplacement support, career development assistance and/or in recognition of length of service with the City.

5. Limitations

- 5.1 This Policy does not create any contractual entitlement to a payment of an Additional Amount and all payments made in accordance with this Policy are at the complete discretion of the City.
- 5.2 The City may only pay an Additional Amount to an employee in circumstances where the employee agrees in writing to accept voluntary severance by resigning.

6. Taxation

The City will deduct tax from the payment as required by law.

7. Delegation Limit

- 7.1 The CEO may decide to pay an Additional Amount under this Policy that exceeds the delegation limit set by Council however:
- (a) Council approval must be sought; and
 - (b) local public notice must be given in compliance with section 5.50(2) of the Act.
- 7.2 The delegation limit set by Council is subject to regulation 19A of the Regulations. This means both the delegated amount and any payment made under 7.1 above must be less than the value of the employee's final annual remuneration.
- 7.3 'Final annual remuneration' has the meaning in regulation 19A(2) of the Regulations and section 4(1) of the *Salaries and Allowances Act 1975* (WA).

References that may be applicable to this Policy

Legislative Requirements:	<i>Local Government Act 1995</i> <i>Local Government (Administration) Regulations 1996</i>
Procedures, Process Maps, Work Instructions:	City of Melville Severance Payment Procedure
Other Plans, Frameworks, Documents Applicable to Policy:	
Delegated Authority No:	DA-088 Severance Payment to Employee

ORIGIN/AUTHORITY

Ordinary Meeting of Council	17/08/10
Ordinary Meeting of Council	10/02/09
Ordinary Meeting of Council	15/12/09
Ordinary Meeting of Council	16/10/12
Ordinary Meeting of Council	17/06/2014
Ordinary Meeting of Council	17/05/2016
Ordinary Meeting of Council	19/06/2018
Ordinary Meeting of Council	21/05/2024

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C10/5123
C09/5039
C09/5097
C12/5249
M14/5370
C16/5484
C18/5617
M24/35