



## Staff Gratuity Policy

Application	All Staff
Responsible Officer	Director Corporate and Community Services
File No	CM:POL:CWP
Authorised by	Council
Effective Date	16 October 2018
Distribution	Intranet

### Purpose

The purpose of this policy is to set out Council's current policy as at August 2011 associated with the payment of accumulated sick leave.

Council's "Staff Gratuity Policy" has been varied since first introduced in September 1988. In effect that are now three groups of employees, namely:-

- Employees who commenced before 19 July 1993 (Group A);
- Employees who commenced after 20 July 1993 but before 19 September 2003 (Group B); and
- Employees who commenced after 20 September 2003 (Group C).

The policy does not apply to casual employees of Council.

Application of the Policy is subject to the Council assessing that the individual's service has been satisfactory during his/her period of employment with Council.

The aim of this revised policy is to clarify application of the policy having regard to Council's resolution of 19 June 2007 and calculation of any future payments.

### Definitions

GM                                      General Manager  
Council:                                Carrathool Shire Council

### Reference

This policy complements other legislation and where it is silent on matters referred to in the following legislation such matters must be followed in accordance with the legislation.

### Policy statements

#### Group A Employees

That staff employed by Carrathool Shire Council on a permanent basis prior **to 20 July 1993**, be entitled to the payment of untaken sick leave accrued to 30 June 2007, on resignation, retirement, redundancy or death, subject to the Council assessing that the employee's service has been satisfactory during the period of employment and the employee not transferring to another Council:

<i>Years of Service as at 30/06/2007</i>	<i>% payment of sick leave accrual to 30/06/2007</i>
Under 10 years	Nil
10 years to 15 years	50% of accruals
15 years to 20 years	75% of accruals
20 years service and over	100% of accruals



### Group B Employees

That staff employed by Carrathool Shire Council on a permanent basis **from 20 July 1993 to 16 September 2003**, be entitled to the payment of untaken sick leave accrued to 30 June 2007, on resignation, retirement, death or redundancy, subject to the Council assessing that the employee's service has been satisfactory during the period of employment and the employee not transferring to another Council:

<i>Years of Service as at 30/06/2007</i>	<i>% payment of sick leave accrual to 30/06/2007</i>
Under 10 years	Nil
10 years to 15 years	24.5% of accruals
15 years to 20 years	36.75% of accruals
20 years service and over	49% of accruals

### Group C Employees

That there be no entitlement under the Staff Gratuity Policy for staff employed **after 16 September 2003**.

### **Clarification Length of Service**

Following potential ambiguity associated with the determination of length of service, Council, at its meeting held on 23 August 2011 (Minute No 1121) resolved that:

“The existing Staff Gratuity Policy associated with the payment of untaken sick leave be re-worded to remove the ambiguity associated as to whether “Group A & B Employees” employed by the Council on a permanent basis prior to 16 September 2003, entitlement was “frozen” in terms of the number of hours accumulated as at 30 June 2007.”

As a result of the above, payment of an individual's entitlement will be based upon their frozen sick leave hours as at 30 June 2007, their current pay rate at the time of resignation (or agreed payment date) multiplied by the individuals frozen % payable based upon length of service as at June 2007.

### Possible reduction of frozen hours as at 30 June 2007 due to extended periods of sick leave:

Sick leave taken after 30 June 2007 will firstly be deducted from an individual's annual sick leave entitlement.

Sick leave taken after 30 June 2007 in excess of an individual's total progressive annual entitlement, up until their date of resignation (or agreed payment date) will be deducted from an individual's frozen entitlement as at 30 June 2007.

### **General Application of Policy**

1. That, for staff considered eligible for payment under Groups A & B above, no accrual of untaken sick leave be made for the purpose of any payment under this policy from 1 July 2007.
2. That, for staff considered eligible for payment under Groups A & B above, the Period of Service relates only to service with the Carrathool Shire Council and does not include leave accumulated and transferred from another Council.
3. That, the policy NOT apply to employees resigning to take up a position with another Council. In such cases the Council may consider the payment of a gratuity where service exceeds 10 years, from any sick leave balance remaining, following Award provisions for transfer of sick leave.



## Council Policy 125

4. That, for staff considered eligible for payment under Groups A & B above, sick leave taken (after 1 July 2007) be debited from the most recent entitlement accruing after 1 July 2007.
5. That, entitlements under the provisions of the policy be calculated on the balance of accrued sick leave in hours as at 30 June 2007, calculated by the employee's hourly rate of pay at the time of termination, subject to no accrual as at 30 June 2007 being subsequently taken.
6. That, unsatisfactory service for the purpose of assessing eligibility to any entitlement under the staff gratuity policy, be defined as three documented warnings of proven unsatisfactory conduct or performance during the employee's service on the employee's personnel file at the time of termination.
7. That, interest accruing on the Internally Restricted Employee Leave Entitlement Reserve be reinvested into such Reserve. Such action is to provide adequate provision for future payments and as such, employees under Groups A & B are not entitled to such interest.

### Revision Table

Minute /Date	Amendment Summary	Reason or Reference
0804 / 15.11.1988	First Adopted	Union Request
1285 / 15.08.1989	Policy Manual Revision	
4410 / 20.07/1993	Reduction payout percentages	Shires Association Advice
3924 / 16.09.2003	Revocation of policy for new staff	
1576 / 19.06.2007	Cessation of accruals for eligible employees	
1624 / 17.07.2007	Adoption revised policy for eligible staff	
1121 / 23.08.2011	Remove point 6. Include - Clarification Length of Service	
0623 / 18.03.2014		Policy Reaffirmed
0741 / 16.10.2018		Reviewed

### Associated Documents

Nil

### Review

This policy will be reviewed as required and may be amended from time to time with reference to any relevant legislation, best practice guides, or other factor.