Policy Manual

Payments to Employees in Addition to a Contract or Award Policy

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POLICY OBJECTIVE

This Policy sets out the circumstances in which the City of Wanneroo will pay an employee who is leaving, an amount (severance payment) in addition to any amount the employee is entitled to under their contract of employment, industrial instrument or order by a Court or Tribunal.

POLICY STATEMENT

When a Severance Payment is Permissible
Subject to the Chief Executive Officer’s approval, and the employee agreeing to accept a voluntary severance by resigning as an employee, the City of Wanneroo may pay a severance payment in the following circumstances:

- **Settlement of a Claim**
  In settlement of a claim or dispute where the employee has or proposes to take action under industrial relations legislation, up to a maximum of 52 week’s pay.

- **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 week’s pay.

- **Poor Performance / Conduct**
  To facilitate a situation where an employee is not performing to the satisfaction of the City of Wanneroo and it has been identified beneficial to bring the employment relationship to an end, up to 12 week’s pay.

Severance payments to Senior Officers must be approved by the Council.

Manner of Assessment of the Severance Payment
Where the severance payment is based on the weekly pay, this is the normal ordinary pay (excluding overtime, vehicle allowance or superannuation). In assessing the severance payment, the following will be considered:

- The amount recommended by a Court or Tribunal to settle a 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.

SCOPE

This Policy applies to City of Wanneroo employees except those defined as Senior Employees.
BACKGROUND

Section 5.50 of the Local Government Act 1995 requires all Local Governments to have a Policy in relation to employees leaving the Local Government, setting out the information detailed under Scope of this Policy.

WHO NEEDS TO KNOW ABOUT THIS POLICY?

This Policy will be made publicly available on the City of Wanneroo’s webpage.

DEFINITIONS

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

**Industrial Tribunals** are judicial bodies that hear and determine claims to do with employment matters.

**Senior Employee** means employees holding the position of Chief Executive Officer or Director in accordance with Section 5.37 of the Local Government Act 1995.

REFERENCES

Local Government Act 1995

<table>
<thead>
<tr>
<th>Version</th>
<th>Next Review</th>
<th>Record No:</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2016</td>
<td>January 2018</td>
<td>16/8372</td>
</tr>
<tr>
<td>May 2018</td>
<td>May 2021</td>
<td>16/8372</td>
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</tbody>
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