



# Council Policy Manual

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## **CP12.4 Payments Under Section 5.50 of The Local Government Act 1995**

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### **POLICY OBJECTIVE**

As required under Section 5.50 of Local Government Act, to determine the circumstances in which the City of Perth will pay an employee, who is leaving, an amount (severance payment) in addition to any amount the employee is entitled to under the contract of employment, award, industrial agreement, or order by a Court or Tribunal.

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### **POLICY STATEMENT**

#### 1. Circumstances for Severance Payment

The City of Perth may pay a severance payment in the following circumstances:-

##### 1.1 Settlement of Legislative Action

Where the CEO so agrees, in settlement of a claim where the employee has or proposes to take action under the Workplace Relations, Equal Opportunity or Workers Compensation and Rehabilitation legislation, to a maximum of 26 weeks pay.

##### 1.2 Recommendation by an Industrial Commissioner

Where the CEO so agrees, in response to any recommendations arising from a matter brought before an Industrial Commissioner, to a maximum of 26 weeks pay.

##### 1.3 Illness or Impairment

Where the CEO so agrees, to make an additional payment to facilitate a situation where the employee, due to illness or impairment, is unable to perform his/her job and there has been mutual agreement that employment must end, up to a maximum of 26 weeks pay.

##### 1.4 Order by a Court or Industrial Tribunal



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For all employees, where an order has been made for payment by a court of law or industrial tribunal, arising from the specific matters brought before it in relation to that employee.

### 1.5 Redundancy

Redundancy provisions are set out in the relevant industrial awards and agreements. Where the CEO so agrees, an additional benefit of up to twenty six (26) weeks pay may be paid to an employee where it would be difficult for that employee to find another job, or where the payment will assist in facilitating important organisational change.

### 2. For Senior Officers

Any severance payments to Senior Officers in settlement of legislative action, recommendation of an Industrial Commissioner, or illness/impairment must be approved by the Council.

### 3. Other Circumstances

Nothing in this policy prevents the Council from deciding that an employee who is leaving may be paid an additional amount, provided the total value of additional payments to that employee do not exceed the value of the person's final annual remuneration. If the Council decides to make such a payment, the details of the severance payment and benefits will be published in accordance with section 5.50(2) of the Local Government Act.

### 4. Calculation

Where severance payment is based on weekly pay, this is the normal ordinary time payment, excluding overtime. It includes salary specifically sacrificed for benefits, but does not include the value of a vehicle or the normal superannuation provided to all employees.

In assessing the additional amount, the following factors will be considered:-

- 4.1 the amount recommended by a Court or Tribunal to settle a matter;
- 4.2 the exposure to litigation and the strength of the respective cases;
- 4.3 the cost of legal services;
- 4.4 the cost of involvement in a legal case;
- 4.5 disruption of operations;
- 4.6 length of service of the employee;
- 4.7 personal circumstances of the employee;
- 4.8 conscientiousness and contribution of the employee;



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4.9 position held.

### 5. Recognition of Service

As a tangible expression of appreciation, a presentation will be made to employees leaving the City with 10 or more years of service, as per Policy CS1 Recognition of Employees – Presentation.

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