

## STATEMENT

To give effect to Section 5.50 of the *Local Government Act 1995* in relation to the payment of employees, except Senior Employees or the CEO, of amounts in addition to a contract or award upon leaving the organisation.

## SCOPE

This Policy applies to employees whose employment is governed by the Local Government Industry Award 2020 (Award), or the Southern Metropolitan Regional Council Resource Recovery Centre Enterprise Agreement 2021 (Agreement), or any other industrial instrument.

## OBJECTIVE

- To determine the circumstances for which the Council may make a payment to employees in excess of the applicable contract or industrial instrument; and
- To effect such payments to employees in the manner prescribed by Council, in accordance with legislation and the requirements of this Policy.

## DEFINITIONS

**Cash Salary** means the cash base hourly rate (excluding all allowances and loadings) paid, or payable, multiplied by the employed person's normal weekly hours immediately before the person's employment with the Council finished. Where a person works irregular hours, then the normal weekly hours will be calculated on an average of the last twelve weeks.

**Redundancy** means a situation where the employer no longer requires a specific position to be performed by a person(s) because of changes in the operational requirements of the organisation.

**Senior Employee** means an employee holding the position of Chief Executive Officer or an employee appointed under Section 5.37 of the *Local Government Act 1995* or designated as such by the Council.

**Voluntary Severance** means a financial payment made to a person who voluntarily chooses to end their employment in a situation where surplus positions within the organisation are identified.

## ROLES & RESPONSIBILITIES

- The Chief Executive Officer (CEO) is responsible for ensuring payments are effected as directed by Council.

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## CONTENT

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### 1. RETENTION INCENTIVE PAYMENT

The Council may provide a payment to eligible employees to encourage them to continue employment until the employee's position is made redundant, due to a pending sale or winding up of the business and the employee has not received or accepted an offer for alternative re-deployment arranged by Council (Retention Incentive Payment).

The Retention Incentive Payment is to assist employees financially after leaving the Council due to Redundancy and will be considered a Voluntary Severance.

The Retention Incentive Payment will be:

- a) subject to b) below, a maximum payment of thirteen (13) weeks at the employee's Cash Salary,
- b) where the total number of weeks paid to the employee for payment in lieu of notice, redundancy payment under the Agreement or the Award and the Retention Incentive Payment (together, the Total Severance Pay), would, other than due to this clause, exceed twenty-six (26) weeks, the Retention Incentive Payment will be reduced so that the Total Severance Pay equals twenty-six (26) weeks.

### 2 ELIGIBILITY CRITERIA:

An employee will only be eligible to receive the Retention Incentive Payment where the:

- a) Council no longer requires the employee's role to be performed by anyone and proposes to terminate the employee's employment for reasons of Redundancy;
- b) Employee has completed six (6) months employment (or less, only at the discretion of the CEO).
- c) Employee has not received any written warnings in relation to their conduct in the workplace within the six (6) months before the Council's proposal to terminate the employment of the employee;
- d) Employee has not been managed for performance pursuant to 'Standard No HR6.10 – Managing Poor Performance Standard' within the six (6) months before the Council's proposal to terminate the employment of the employee; and
- e) Council has not secured alternative employment for the Employee.

Where the Council has secured alternative employment no less favourable than the employee's current employment and the Employee does not accept the position offered, the employee will not receive the Retention Incentive Payment.

If the employee is offered a Retention Incentive Payment, the employee agrees that the Retention Incentive Payment is a Voluntary Severance.

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## COUNCIL POLICY NO 3.7 RETENTION INCENTIVE PAYMENT

### REFERENCES & REVIEW

<b>Statutory Compliance</b>	<ul style="list-style-type: none"> <li>▪ <i>Local Government Act 1995 Section 5.50</i></li> <li>▪ <i>Local Government (Administration) Regulations 19A</i></li> <li>▪ <i>Fair Work Act 2009</i></li> <li>▪ <i>Local Government Industry Award 2020</i></li> </ul>	
<b>Organisational Compliance</b>	<ul style="list-style-type: none"> <li>▪ SMRC RRRC Enterprise Agreement 2021</li> <li>▪ Local Government Industry Award 2020</li> <li>▪ Individual Employment Contracts</li> <li>▪ Policy 3.3 Additional Payments in Addition to Contracts and Awards</li> </ul>	
<b>Approved by</b>	Regional Council	
<b>Next Revision Date</b>	November 2024	
<b>Policy Administration</b>	<b>Responsible Officer</b>	<b>Review Cycle</b>
Corporate	Chief Executive Officer	Biennial
<b>Risk Rating</b>	Operational Risk Register – Risk Medium	
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### DOCUMENT CONTROL REGISTER

Date	Review	No.	Author	Resp Officer	Council
2018	Original	1	EMCS	CEO	22/11/2018
2019	Review	2	EMCS	CEO	27/06/2019
2022	Review	3	MGC	SMG – 4/10/22	24/11/2022

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