Council Policy 125

Staff Gratuity Policy

Application	All Staff
Responsible Officer	Director Corporate and Community Services
File No	CM:POL:CWP
Authorised by	Council
Effective Date	21 October 2025
Distribution	Intranet / Public Exhibition

Purpose

This policy details the requirements associated with the payment of accumulated sick leave for eligible employees.

Council Policy 125 – Staff Gratuity Policy has been review and amended a number of times since its inception in September 1988.
In effect there are now three groups of employees as detailed in the policy statement below. This policy does not apply to casual employees of Council.

Definitions

GM	General Manager
Council:	Carrathool Shire Council

Reference

Where this policy is silent on matters referred to in legislation such matters must be followed in accordance with the legislation.

Policy Statement

Group A Employees - Staff employed by Carrathool Shire Council on a permanent basis prior **to 20 July 1993** – entitled to payment of sick leave accrued to 30 June 2007 on resignation, retirement, redundancy or death as detailed in the table below, conditional on satisfactory service and non-transferral to another Council.

Years of Service as at 30/06/2007	*% payment of sick leave accrual to 30/06/2007*
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 - Staff employed by Carrathool Shire Council on a permanent basis from **20 July 1993** to **16 September 2003** – entitled to payment of sick leave accrued to 30 June 2007 on resignation, retirement, redundancy or death as detailed in the table below, conditional on satisfactory service and non-transferral to another Council.

Years of Service as at 30/06/2007	*% payment of sick leave accrual to 30/06/2007*
Under 10 years	Nil
10 years to 15 years	24.5% of accruals

Group C Employees – there will be no entitlement under this policy for staff employed after **16 September 2003.**

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.

General Application of Policy

1. 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. 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. The policy will 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 following Award provisions for transfer of sick leave for any remaining non-transferrable sick leave where the employee's length of service exceeds 10 years.
4. For staff considered eligible for payment under Groups A & B above, sick leave taken (after 1 July 2007) will first be deducted from the most recent entitlement accruing after 1 July 2007. Sick leave will only be deducted from pre-2007 entitlements if all other sick leave entitlements have been exhausted.
5. Entitlements under the provisions of the policy will 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. Unsatisfactory service for the purpose of assessing eligibility to any entitlement under the staff gratuity policy, is 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. Interest accruing on the Internally Restricted Employee Leave Entitlement Reserve be reinvested into such Reserve. This action assists in providing adequate provision for future payments and as such, employees under Groups A & B are not entitled to an interest payment component.
8. The General Manager is authorised to approve payments under this policy to the value of $25,000. Any payments are to be reported to the next meeting of Council for endorsement (Minute 1316 / 19.04.2016).

Revision Table

Minute /Date	Amendment Summary
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
1532 / 15.12.2020	General amendment and addition of Minute 1316
0372/ 21.10.2025	Reviewed – no amendments

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.