



POLICY – 5.8 – Annual End-of-Year Employee Allowance

Relevant Delegation

N/A

1. Purpose

The purpose of this policy is to recognise and reward employees for their contributions throughout the year by providing an annual allowance. The payment is intended as a discretionary benefit and is subject to annual review and budget approval.

2. Scope and Eligibility

This policy applies to all employees who are employed by the Shire of Menzies as of 1 December of each year, with specific eligibility criteria as follows:

- **Full-Time Employees:** Full-time employees are eligible for an annual allowance of \$500, subject to the conditions outlined in this policy
- **Part-Time and Casual Employees:** For part-time and casual employees, the annual allowance will be pro-rated based on the total number of hours worked during the 12-month period from 1 December of the previous year to 1 December of the current year
- **Employees on Workers' Compensation:** Employees who meet the 6-month employment period but were on workers' compensation during part of the year will still be eligible for the allowance. The allowance will be pro-rated based on the total number of hours worked during the 12-month period
- **Employees must have been employed with the Shire of Menzies for at least 6 months during the 12-month period to qualify for the allowance**
- **Employees who leave the Shire before 1 December will not be eligible for the allowance.**

3. Discretionary Nature of Payment

- The annual allowance is a discretionary payment, meaning it is not guaranteed. The decision to provide the allowance each year is subject to annual review and approval of the Shire's budget by the Council

4. Calculation of Payment

- **Full-Time Employees:** Full-time employees will receive a fixed annual allowance of \$500
- **Part-Time and Casual Employees:** The annual allowance for part-time and casual employees will be pro-rated based on the total hours worked during the 12-month period from 1 December of the previous year to 1 December of the current year. The pro-rated allowance will be calculated using the following formula:

$$\text{Pro-Rated Allowance} = \left(\frac{\text{Total Hours Worked}}{\text{Full-Time Annual Hours}} \right) \times 500$$

Where Total Hours Worked refers to the number of hours worked by the employee during the year, and Full-Time Annual Hours refers to the standard number of hours for a full-time employee.

- Employees on Workers' Compensation: Employees who meet the 6-month employment period, but were on workers' compensation during part of the year, will have their allowance pro-rated based on the hours they worked during the 12-month period. The allowance will be calculated using the same formula as for part-time and casual employees.

5. Payment

Date

The annual allowance will be paid to eligible employees in December each year, following the cutoff date of 1 December. Payments will be processed through the regular payroll system.

6. Compliance with Industrial Instruments

- This allowance is not a replacement for any entitlements under an industrial instrument, such as an award or agreement. Employees' minimum entitlements under awards or agreements will always take precedence
- This policy is intended to formalise the practice of an annual allowance and is not a legally mandated Christmas bonus. If the allowance becomes an established practice, it will continue to be subject to discretionary review annually.

7. Transparency and Record Keeping

- The Shire aims to maintain transparency and consistency in the application of this policy
- Detailed records of eligibility, calculations, and payments will be kept by the Finance Department in accordance with the Shire's records retention policy.

8. Compliance and Review

- This policy will be reviewed annually to ensure it aligns with the Shire's budget, legal obligations and employee relations practices.'

-End of Policy

ADOPTED: 17 DECEMBER 2025