

Office of the Public Service

DIRECTIVE

(refer Section 34 of the *Public Service Act 1996*)

No: 2/98

Supersedes:

1. TITLE: Retrenchment

2. PURPOSE:

To specify the action to be taken in relation to surplus employees who are retrenched.

3. LEGISLATIVE PROVISION: *Public Service Act 1996* - Section 81

4. EFFECTIVE DATE: 6 February 1998

5. DIRECTIVE:

- 5.1 A retrenchment package may only be offered to tenured public service employees in exceptional circumstances with the approval of the Public Service Commissioner.
- 5.2 This package is only available to surplus employees who have been provided with retraining, transfer and/or redeployment opportunities for minimum periods as specified in Directive 20/97, *Deployment and Redeployment*, and for whom the Public Service Commissioner is satisfied that retraining, transfer or redeployment are no longer viable options.
- 5.3 The Chief Executive shall ensure that the provisions of the *Income Tax Assessment Act 1936 and Regulations* are complied with.
- 5.4 The Chief Executive shall ensure that the requirements for consultation with employee organisations and notification to the Commonwealth Employment Service, as detailed in Sections 228 and 229 of the *Workplace Relations Act 1997*, are met.

6. RETRENCHMENT PACKAGE:

6.1 The Retrenchment Package consists of the following:

- a) Accrued Recreation Leave.
- b) Accrued Long Service Leave for employees who have worked for at least one year, on the basis of 1.3 weeks for each year of continuous service and a proportionate amount for an incomplete year of service.
- c) A severance benefit of two weeks' pay per year of service and a proportionate amount for an incomplete year of eligible service, paid at the employee's substantive level (minimum four weeks, maximum 52 weeks).

6.2 Tenured part time employees who are declared surplus shall be entitled to a severance benefit of two weeks' full time pay per year of service and a proportionate amount for an incomplete year of eligible service (minimum four weeks, maximum 52 weeks) calculated on total full time equivalent years of service. Employees who hold two or more tenured part time jobs shall only be entitled to a severance benefit calculated on the proportion of full time equivalent years of service applicable to the part time job from which they are declared surplus.

- 6.3 Employees whose previous employment is recognised for the purpose of calculating long service leave entitlement shall also be entitled to a severance benefit based on their period of previous recognised employment. This provision is conditional upon the total severance benefit not exceeding 52 weeks pay.
- 6.4 Employees whose previous employment is recognised for the purpose of calculating long service leave entitlement and who have received a severance benefit from their previous employer, shall only be entitled to a severance benefit calculated on their current period of employment.
- 6.5 Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.
- 6.6 Employees who are retrenched will be entitled to relocation expenses on the basis of arrangements specified under rulings issued by the Minister for Training and Industrial Relations.
- 6.7 Separation packages included within this Directive are compensation for loss of job tenure.

7. RE-EMPLOYMENT:

- 7.1 Employees who have taken a retrenchment under this Directive or a VER package under Directive 21/97 and who are subsequently re-employed in a Queensland Government entity as a consultant, or on a casual, part time or full time basis for a total cumulative period of more than twenty (20) working days, in one or more Queensland Government entities, shall be entitled to retain only that portion of the severance benefit applicable to the period of time for which they were not employed in a Queensland Government entity.
- 7.2 A tenured part time employee who receives a retrenchment package for the loss of one tenured part time job and who retains another part time job in the Queensland Public Service, shall be required to refund the portion of severance benefit to which they are not entitled should the subsequently increase their part time hours during the period to which the severance benefit applies.
- 7.3 As a condition of re-employment, an appointee paid a severance benefit is required to refund to the Crown that portion of the severance benefit to which they are not entitled. The Chief Executive of the re-employing agency is responsible for implementing procedures to collect this portion.

8. APPROVAL:

- 8.1 The Public Service Commissioner shall approve the retrenchment of public service employees, other than Senior Executive Service Officers, only in exceptional circumstances, upon the recommendation of the Chief Executive of the Department in which the package is to be offered.
- 8.2 The Governor in Council shall approve the retrenchment of Senior Executive Service Officers after consultation with the Public Service Commissioner.

9. NON APPLICATION:

Temporary employees, casual employees, contract employees, employees whose termination is in accordance with disciplinary action and employees whose termination is in accordance with retirement because of mental or physical incapacity are excluded from the provisions of this Directive.

