



Office of the Public Service

DIRECTIVE

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

No: 1/98

Supersedes:

1. **TITLE:** Voluntary Early Retirement (VER)

2. **PURPOSE:**

To specify the action to be taken in relation to surplus employees who accept an offer of a voluntary early retirement (VER).

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

4. **EFFECTIVE DATE:** 6 February 1998

5. **DIRECTIVE:**

- 5.1 A VER scheme¹ may be utilised at the discretion of the Chief Executive.
- 5.2 A VER package may only be offered to tenured public service employees.
- 5.3 The Chief Executive shall establish the bona fides of each VER scheme and 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. **VER PACKAGE:**

6.1 The VER 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 appointed 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 An additional incentive payment may be made of \$6,500 or eight weeks' pay at the employee's substantive level, whichever is the greater, for employees below the level of senior officer, or ten weeks' pay at the officer's substantive level for tenured SES and senior officers, provided the offer

of voluntary early retirement is accepted within two weeks (14 days) of the offer being made. The incentive will apply immediately upon expiration of the specified termination date. This incentive payment reduces by the equivalent of one week's pay for each week's delay in exiting the organisation. Employees who are unsuccessful in seeking deployment or redeployment are not entitled to this incentive.

- 6.4 Tenured part time employees shall be entitled to a portion of the incentive payment based on the pro rata of their full time equivalent years of service.
- 6.5 This benefit includes payment in lieu of notice.
- 6.6 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.
- 6.7 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 for the full amount of that employment, shall only be entitled to a severance benefit calculated on their current period of employment.
- 6.8 Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.
- 6.9 Employees who are offered a VER will be entitled to relocation expenses on the basis of arrangements specified under rulings issued by the Minister for Training and Industrial Relations.
- 6.10 Separation packages included within this Directive are compensation for loss of job tenure.
- 6.11 Surplus employees who reject the offer of a VER or to whom a VER scheme is not applied are to be provided with transfer at level and/or redeployment and reasonable retraining opportunities, in accordance with Directive 20/97, *Deployment and Redeployment*.
- 6.12 At the conclusion of this deployment period, where the Chief Executive is satisfied that no viable transfer or redeployment opportunities exist in any Department, the Chief Executive may seek approval from the Public Service Commissioner to apply the provisions of Directive 22/97, *Retrenchment*.
- 6.13 The Chief Executive may continue the deployment period at his or her discretion.

7. RE-EMPLOYMENT:

- 7.1 Employees who have taken a VER package under this Directive or a retrenchment package under Directive 22/97 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 severance benefit 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 Chief Executives may approve offers of VER packages to public service employees, other than Senior Executive Service Officers, of the Department in which the package is to be offered.
- 8.2 The offering of VER packages to Senior Executive Service Officers may only be made following approval by the Public Service Commissioner.

9. NON APPLICATION:

Temporary employees², 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.

¹ An early retirement "scheme" is defined in Taxation Ruling 94/12.

² Temporary employees engaged prior to 6 June 1997 who are made surplus to requirements and who are able to demonstrate to the satisfaction of the Chief Executive that they have implied permanency, may be compensated for job loss at the discretion of the Chief Executive in accordance with the provisions of this Directive.

