



MINISTER FOR EMPLOYMENT, TRAINING AND INDUSTRIAL RELATIONS

PUBLIC SERVICE COMMISSIONER

DIRECTIVE No. 27/99
July 1999

- 1. TITLE:** **Voluntary Early Retirement (VER)**
- 2. PURPOSE:** To specify the action to be taken and the conditions and entitlements applying to tenured public service employees whose work is surplus to requirements and who accept the offer of a Voluntary Early Retirement package.
- 3. LEGISLATIVE PROVISIONS:** Sections 34 and 81 of the *Public Service Act 1996*.
- 4. APPLICATION:**
- 4.1 **Schedule A** of this directive is the responsibility of the **Public Service Commissioner**.
- 4.2 **Schedule B** of this directive is the responsibility of the **Minister for Employment, Training and Industrial Relations**.
- 4.3 Schedules A and B apply to tenured public service employees.
- The Schedules do not apply to public service employees -
- engaged on a temporary basis under sections 112(2)(a) or 113(2)(a) of the *Public Service Act 1996*; or
 - engaged on a casual basis under sections 112(2)(b) and 113(2)(b) of the *Public Service Act 1996*; or
 - on contracts under the *Public Service Act 1996*; or
 - whose employment is terminated in accordance with disciplinary action, or retirement because of mental or physical incapacity.
- 4.4 Schedule A, section 4 applies only to tenured senior executives and senior officers.
- 5. STANDARD:** The requirements and entitlements prescribed in the Schedules apply.
- 6. EFFECTIVE DATE:** This directive is to operate from **1 July 1999**.
- 7. VARIATION:** The provisions in Schedule B may be varied in accordance with certified agreements made under Chapter 6, Part 1 of the *Industrial Relations Act 1999* or decisions of an industrial tribunal of competent jurisdiction.
- 8. INCONSISTENCY:** Sections 34 and 117 of the *Public Service Act 1996* and section 687 of the *Industrial Relations Act 1999* apply if there is a conflict with an act, regulation or industrial instrument.
- 9. SUPERSEDES:** 1/98 "*Voluntary Early Retirement (VER)*"

10. PREVIOUS

REFERENCES: Directive 21/97 “Voluntary Early Retirement”
Directive 6/97 “Voluntary Early Retirement”
Directive 7/96 “Voluntary Early Retirement”
Public Sector Management Standard for Staffing Options to Manage Organisational Change in the Queensland Public Sector
Circular 8/91

11. RESPONSIBILITIES:

- 11.1 The Minister for Employment, Training and Industrial Relations** has issued clauses 1, 2, 3, 4.2, 4.3, 5, 6, 7, 8, 9, 10 and 11.1 and **Schedule B** of this directive.
- 11.2 The Public Service Commissioner** has issued 1, 2, 3, 4.1, 4.3, 4.4, 5, 6, 9 and 11.2 and **Schedule A** of this directive.

SUPERSEDED

SCHEDULE A

VOLUNTARY EARLY RETIREMENT

REQUIREMENTS	
<p>1. HOW A VER PACKAGE IS TO BE APPLIED</p> <p>1.1 A VER scheme¹ may be utilised at the discretion of the Chief Executive for employees, other than senior executive officers, consistent with 1.2 of this Schedule.</p> <p>1.2 A VER package as specified in Schedule A or B may only be offered to tenured public service employees whose duties or functions are surplus to the agency's requirements and whose skills and abilities cannot be reasonably utilised in other vacancies within the agency. Allegations or findings of unsatisfactory performance or conduct due to any cause are not grounds for offering an employee a VER package.</p> <p>1.3 The Chief Executive shall establish the bona fides of each VER scheme and ensure that the provisions of the <i>Income Tax Assessment Act 1936 and Regulations</i> are complied with.</p> <p>1.4 If applicable, the Chief Executive shall ensure that the requirements specified in section 88 and 89 of the <i>Industrial Relations Act 1999</i> are met for consultation with employee organisations and notification to the relevant Commonwealth department whose primary function is helping unemployed people find work.</p> <p>1.5 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 the Public Service Commissioner directive <i>Deployment and Redeployment</i>.</p>	<p>2. REPORTING</p> <p>2.1 Each department shall state in its Annual Report the number of VER packages taken by employees in the previous financial year and the total monetary value of the severance benefits as specified in Schedules A and B.</p> <p>3. RE-EMPLOYMENT:</p> <p>3.1 Employees who have received a VER package as specified in Schedules A or B 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 or a minimum of twenty days salary, which ever is the greater.</p> <p>3.2 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 they subsequently increase their part time hours during the period to which the severance benefit applies.</p> <p>3.3 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.</p>

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

SCHEDULE A

VOLUNTARY EARLY RETIREMENT

4. ENTITLEMENTS FOR TENURED SES AND SENIOR OFFICERS

- 4.1 The offering of a VER package to a Senior Executive Service Officer may only be made following approval by the Public Service Commissioner.
- 4.2 The VER package for tenured SES and Senior Officers is compensation for loss of job tenure. The VER package consists of the following:
- (a) Accrued Recreation Leave (if the officer is performing higher duties at the date of termination, the calculation shall be consistent with the directive *Higher Duties Allowance* issued by the Minister for Employment, Training and Industrial Relations).
 - (b) Accrued Long Service Leave for officers 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 (if the employee is performing higher duties at the date of termination, the calculation shall be consistent with the directive *Higher Duties Allowance* issued by the Minister for Employment, Training and Industrial Relations).
 - (c) A severance benefit of two weeks' pay per year of service and a proportionate amount for an incomplete year of recognised service paid at the employee's substantive appointed level (minimum four weeks, maximum 52 weeks).
- 4.3 Tenured part time officers who are declared surplus shall be entitled to a severance benefit of two weeks' full time pay per year of recognised service and a proportionate amount for an incomplete year of recognised service (minimum four weeks, maximum 52 weeks) calculated on total full time equivalent years of service. Officers who hold two or more tenured part time jobs shall only be entitled to 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.
- 4.4 One offer only of an additional incentive payment may be made of ten weeks pay at the officer's substantive appointed level, 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. Officers who are unsuccessful in seeking deployment or redeployment in accordance with Public Service Commissioner directive *Deployment and Redeployment* are not entitled to this incentive.
- 4.5 Tenured part time officers shall be entitled to a portion of the incentive payment based on the pro rata of their full time equivalent years of service. (Example: An officer has worked full time for five years and then part time at .5 for ten years. The pro rata of their full time equivalent years of service is ten full time equivalent years divided by 15 years equals two thirds. Incentive payment is calculated at two thirds of ten weeks pay at the full time rate.)
- 4.6 This benefit includes payment in lieu of notice.
- 4.7 Officers whose previous employment is recognised for the purpose of calculating long service leave entitlement shall also be entitled to severance benefit based on their period of previous recognised employment. This provision is conditional upon the total severance benefit not exceeding 52 weeks pay.
- 4.8 Officers 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.
- 4.9 Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.
- 4.10 Officers who receive a VER package will be entitled to relocation expenses on the basis of arrangements specified under rulings issued by the Minister for Employment, Training and Industrial Relations.

SCHEDULE B

VOLUNTARY EARLY RETIREMENT

ENTITLEMENTS

An employee is entitled to a VER package as per Schedule A.

The VER package consists of the following:

- accrued recreation leave;
- 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;
- 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).

Tenured part time employees

Tenured part time employees whose work is declared surplus to requirements shall be entitled to a severance benefit. The benefit is calculated on 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). It is 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.

Incentive payment

An additional incentive payment may be made of \$6,500 or eight weeks pay at the employee's substantive level, whichever is the greater. This is to apply to employees below the level of senior officer.

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 the employee delays leaving the organisation.

Tenured part time employees shall be entitled to a portion of the incentive payment. This is based as a pro rata equivalent of their full time years of service.

Employees who are unsuccessful in seeking deployment or redeployment in accordance with the directive on *Deployment and Redeployment* are not entitled to an incentive payment.

Incentive payment in lieu of notice

This benefit includes payment in lieu of notice.

Recognition of previous employment

Employees, whose previous employment is recognised for the purpose of calculating long service leave entitlement, are also entitled to a severance benefit. This benefit is to be based on their period of previous recognised employment. This provision is conditional upon the total severance benefit not exceeding 52 weeks pay.

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.

Superannuation

Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.

Relocation expenses

Employees, who are offered a VER, will be entitled to relocation expenses on the basis of arrangements specified in other ministerial directives.

Separation packages included within this directive are compensation for loss of job tenure.