



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Sharon Chambers, CAO
DATE: 06/02/2017
SUBJECT: Amendment to Acknowledgement Policy
ATTACHMENTS: Acknowledgement Policy

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the report of the CAO concerning the Acknowledgement Policy for information;

AND FURTHER THAT the Human Resources Acknowledgement Policy #D-2.7 is hereby rescinded;

AND FURTHER THAT the Policy provisions for acknowledgement of birth, illness or death of family members shall remain in effect until a replacement policy has been adopted by Council;

AND FURTHER THAT the current policy concerning retirement gifts shall be honoured for any employee with a retirement date of May 31st, 2017 or earlier, provided that written confirmation of the employee's intention to retire is provided to the Human Resources Department by February 17th, 2017.

EXECUTIVE SUMMARY

Human Resources Policy #D-2.7 (attached) sets out acknowledgements that will be given to Township employees for such things as illness, births, death of family members and retirement. Council has requested that this policy be rescinded and replaced with something more consistent with similar policies for other municipalities. The currently policy provides for a retirement gift of 2% of an employee's annual salary/wages, plus \$10 per year of service. Although the policy does not specifically state which employment statuses are eligible, it has been granted only to permanent full time employees.

DISCUSSION

The Human Resources Working Group reviewed the Acknowledgement Policy in comparison to other municipalities' policies concerning the provision of retirement gifts. The North Huron policy is inconsistent in the following ways;

- There is no minimum length of service requirement for an employee to be eligible for a retirement gift. Most policies require a minimum of 5 years of service to be eligible to receive a gift.
- The policy doesn't state the employment status required for eligibility. i.e. full time, part time, etc.
- A monetary retirement gift is typically based on a dollar amount per year of service (after the minimum service requirement is met) such as the \$10 per year of service specified in North Huron's policy, however no examples were found where a percentage of annual salary is provided in addition.
- There is no cap on the amount of the gift.

The Township of North Huron wishes to acknowledge and show appreciation for employees who have served the Township and are transitioning to retirement. All Human Resources Policies should be fair, equitable, and consistent with industry standard.

The Human Resources Working Group, in conjunction with the Senior Management Team, are currently reviewing all Human Resources policies. A new draft retirement gift policy has been developed and has been circulated to the Senior Management Team for comment. When a final draft is ready, it will be submitted to Council for their consideration.

In the meantime, Council may institute a short transition period to allow any current employees who know they are going to retire to be grandfathered under the current policy. The CAO recommends that a memo be circulated to all staff to advise them that the Township will honour the current policy for any employee with a retirement date of May 31st, 2017 or earlier, provided that they submit a letter by February 17th, 2017, confirming their intention to retire.

It is also recommended that the policy provision for a gift in the amount of \$50 for exiting employees be deleted. In this case, it is typical practice that co-workers take up a collection if they wish to provide a gift to a co-worker who is moving on to other employment.

FINANCIAL IMPACT

The current policy provides retirement gifts for North Huron employees that are inconsistent with other samples that were collected. For example, when the North Huron policy is compared to the County of Huron policy, an employee with an annual salary of \$65,000 and 20 years of service would receive a monetary gift of \$1,500. The Huron County employee would receive a retirement gift of \$300 because their policy contains a cap.

FUTURE CONSIDERATIONS

The revised policy will be incorporated into the new Human Resources Policy manual, which is expected to be presented to Council in the Fall of 2017.

RELATIONSHIP TO STRATEGIC PLAN

Goal # 4 - Our administration is fiscally responsible and strives for operational excellence

A handwritten signature in black ink, appearing to read 'Sharon Chambers', written over a horizontal line.

Sharon Chambers, CAO