# STATEMENT OF TERMINATION ENTITLEMENTS

This template form is intended to assist member businesses develop their own workplace forms. The following information should be used as a guide only. Any wording changes, other than those to insert a business name, may change the context, meaning or purpose of the form. We recommend you receive advice from the Victorian Chamber of Commerce and Industry prior to making such changes.

## Contacting the Victorian Chamber of Commerce and Industry

The Victorian Chamber’s team of experienced workplace relations advisors can assist members with a range of employment, human resources and industrial relations issues.

Our experienced workplace relations consultants can also provide assistance to both members and non-members on a range of more complex matters for a fee-for-service. The consultants can, among other things, provide training to employees, conduct investigations and provide representation at proceedings at the Fair Work Commission.

For assistance or more information, please contact the Workplace Relations Advice Line on (03) 8662 5222.

Disclaimer

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# STATEMENT OF TERMINATION ENTITLEMENTS

## General Information

Providing a statement of entitlements does not relieve an employer from their duty to provide a payslip. This statement should covered (where applicable in each case) the following:

Payments for time actually worked;

* Payment in lieu of notice;
* Accrued pro rata annual leave (plus loadings, where relevant);
* Accrued pro rata long service leave;
* Redundancy/severance payments (Note: from 1 January 2010 most employees are entitled to severance pay on redundancy. Legal advice should be sought in the event of a redundancy);
* Bonuses or commissions; and
* Any other payments made to the employee on termination of their employment

The amount of tax deducted from each component should also be recorded.

This statement will not be suitable in all circumstances. What is provided here is a sample document. There may be payments for amounts (for example annual leave loading, redundancy payments and bonuses) in the statement that may not be applicable to the employee. Accordingly, it will be important for you to remove any reference in this statement to payments that do not apply to the employee whose employment has terminated (for whatever reason). If you are unsure you should seek legal advice.

The statement can also be customised to include other payments that may apply, including ex gratia payments (such as 'golden handshake' payments), disability or invalid payments, workers' compensation payments, special contractual payments, early retirement payments, other accrued types of leave, and unused roster days. An 'other payments' section can be developed to incorporate these payments. If you are unsure about how to amend the form to suit your business, seek appropriate advice.

It is advisable to state how each component was calculated, eg hourly rate of pay, number of hours or days of leave accrued, rate of tax, etc.

Superannuation entitlements should be provided in a separate statement issued by the superannuation fund.

The form does not set out details of the taxation treatment of termination payments. It is advisable that taxation advice be sought regarding the taxation treatment of each component of the termination payments before this statement is completed and given to the employee. This form should be modified for use with casual employees.

For most casual employees, payment (less taxation) for time worked will be the only payment (although long service leave may apply in some instances). However the terms of an applicable agreement or award must first be considered. You should seek advice if you are unsure.

## Record Keeping

Legislation and regulations require employers to make and keep certain prescribed employee records for seven (7) years.

For employers to whom the Fair Work Regulations 2009 (Cth) ('Regulations') apply, those Regulations require that where an employee’s employment is terminated, an employer must make and keep an employee record (separate from the statement of termination entitlements) which sets out the following:

Whether the employment was terminated:

by consent; or

* by notice; or
* summarily; or
* in some other manner (specifying the manner); and

the name of the person who acted to terminate the employment.

## Statement of Termination Entitlements

|  |  |  |  |
| --- | --- | --- | --- |
| Employment Details | | | |
| **[INSERT EMPLOYEE’S NAME]**  **[INSERT EMPLOYEE’S TITLE]**  **[INSERT EMPLOYEE PAYROLL NUMBER]**  Commencement date: **[INSERT COMMENCEMENT DATE]**  Termination date: **[INSERT TERMINATION DATE]** | | | |
| Remuneration | | | |
| Hourly Rate | | $ | |
| **Payment for work to [INSERT TERMINATION DATE]** | | | |
| **Type of hours** | **Amount per hour ($)** | **No. Of hours** | **Total amount ($)** |
| **Ordinary** |  |  |  |
| **Overtime** |  |  |  |
|  | | | |
| **Subtotal** | | |  |
| **Less tax** | | |  |
| **TOTAL** | | |  |
|  | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| Annual Leave | | | |
| Hourly Rate | | $ | |
| **Payment for Annual Leave to [INSERT TERMINATION DATE]** | | | |
| **Type of hours** | **Amount per hour ($)** | **No. Of hours** | **Total amount ($)** |
| **Ordinary** |  |  |  |
|  | | | |
| Annual leave loading at ADD % | | |  |
| **Subtotal** | | |  |
| **Less tax** | | |  |
| Less tax on annual leave loading | | |  |
| **TOTAL** | | |  |
|  | | | |
| Long Service Leave | | | |
|  | | | |
| Hourly Rate | | $ | |
| **Payment for Annual Leave to [INSERT TERMINATION DATE]** | | | |
| **Entitlement to long service leave in weeks** | | | **Total amount ($)** |
|  | | |  |
| **Subtotal** | | |  |
| **Less tax** | | |  |
| **TOTAL** | | |  |
| Payment in Lieu of Notice | | | |
| Hourly Rate | | $ | |
|  | | | |
| **Quantum of notice in weeks** | **Amount per hour ($)** | **No. Of hours** | **Total amount ($)** |
|  |  |  |  |
|  | | | |
| **Subtotal** | | |  |
| **Less tax** | | |  |
| **TOTAL** | | |  |
|  | | | |
| Bonuses/Commissions | | | |
|  | | | |
| Bonus/commission | | |  |
| **Subtotal** | | |  |
| **Less tax** | | |  |
| **TOTAL** | | |  |
|  | | | |
| Payment in Lieu of Notice | | | |
| **Payment type:** | | |  |
| **Subtotal** | | |  |
| **Less tax** | | |  |
| **TOTAL** | | |  |
| **Total Payments on Termination** | | |  |