



CPSU ADVICE TO MEMBERS

October 7 2014

The Truth about the WORKFORCE RENEWAL INCENTIVE PROGRAM

DON'T GET WRIPped OFF! Many Agencies are calling for expressions of interest in their workforce renewal incentive programs. It's vital that you understand how they work and your options before expressing interest.

What is a workforce renewal incentive program?

It's a cash incentive to resign your permanent position in the Tasmanian state service.

How much is the incentive?

The payment is determined by your Head of Agency based on the following:

- Up to 10 years: \$1,000 to \$15,000
- More than 10 years: \$15,001 to \$30,000

Incentive payments above \$30,000 can be approved by Heads of Agency up to a cap of 30% of base salary.

There are no guidelines for HoAs to use in determining your payment within the range. If many staff express interest then the offers made can be at the lower end of the range knowing some staff will accept. There's no obligation for men and women to be made the same offers or for old and young to be treated the same.

Some Agencies are saying offers are based on years of service but, apart from the 2 ranges, years of service are irrelevant.

ADVICE: The CPSU advises that if you plan to express interest in a WRIP you should indicate up front the payment you'll accept. Make your expression of interest contingent on being offered the highest amount ie. "As I've been continuously employed for more than 10 years I expect my WRIP payment will be \$30,000."

Is a WRIP a redundancy?

No. It can only be offered where a Head of Agency can demonstrate that by the staff member accepting the WRIP and resigning the Agency will:

- Re-profile and reclassify vacancies to better suit the current way to deliver services in that work area; and/or
- Recruit a new employee with new skills, knowledge and experience; and/or
- Transfer an identified or surplus employee in the position being vacated.

This means WRIPs can't be used to make positions redundant. If a position is made redundant the person in that position is entitled to a redundancy.

ADVICE: If a WRIP is offered in your workplace you have a right to know how the opportunity created by it will be used - i.e. re-profiling the workplace, recruiting a new employee or transferring a surplus employee. Members should seek this info formally before a WRIP is offered in their workplace.

If a WRIP makes a position vacant you have a right to be advised how the workload will be managed without adversely affecting the workloads of remaining staff.

If an offered WRIP would result in changes in work arrangements and practices likely to affect employees in your workplace - which would include re-profiling and reclassification of positions - then you have a right to be consulted before a final decision to approve the WRIP is made.

How is a WRIP taxed?

A WRIP isn't a redundancy so is taxed normally. You'd need individual advice but most staff accepting a WRIP would pay about a third of it in tax.

Should I consider a WRIP?

Unless you've already decided to resign or retire there seems to be little reason to express interest in a WRIP.

As a permanent employee your HoA must make every effort to find suitable alternate duties if you're declared surplus. If the HoA is unsuccessful in finding you another position and decides to refer you for redeployment you must be offered a voluntary redundancy. In almost all conceivable circumstances your voluntary redundancy would be more valuable to you than the WRIP and be treated more favorably in terms of tax.

You must consider your own personal circumstances but it's hard to mount an argument in support of expressing interest in a WRIP.

Can I find out more about my Agency's WRIP process?

Before an Agency can call for expressions of interest in WRIPs it must have documented its program and sought approval from the Head of State Service or the Director of the State Service Management Office for a business case demonstrating the cost effectiveness of the program and how replacement will occur.

ADVICE: The CPSU advises that if you're interested in the process you should ask for a copy of your Agency's approved WRIP. If the Agency isn't forthcoming then ask your union to try and acquire the document.

MEMBERS WANTING SPECIFIC ADVICE SHOULD CONTACT THE CPSU