



University of
South Australia

Long Service Leave Procedure

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APPLICATION

This procedure applies to staff employed in accordance with:

1. The University of South Australia Academic and Professional Staff Collective Agreement 2006.
2. The University of South Australia (Security and Grounds Staff) Enterprise Agreement 2008.
3. The University of South Australia Document Services Collective Agreement 2006.
4. The University of South Australia Senior Staff Collective Agreement 2006.
5. Academic, Professional, Security, Grounds, Document Services and Senior Staff employed pursuant to an Australian Workplace Agreement (AWA) where a reference to this procedure is specifically referred to in the AWA.

OVERVIEW

This procedure reflects the preferred practice of the University and provides a guide to the application and management of long service leave.

PROCEDURE

1. Qualifying Service

- a) Service carrying entitlement to long service leave will comprise continuous service in the employment of the University, including periods of paid leave. An entitlement arises in respect of completed years and months of service;
- b) Any period of leave without pay while in the service of the University which the University may approve as service carrying entitlement. For this purpose where a member of staff has been granted leave without pay aggregating more than twenty two (22) working days in any service year on personal rather than academic or professional grounds, such period of leave will not normally carry entitlement to long service leave, except in circumstances specified in the Parental Leave and Special Leave Without Pay procedures.

- c) For Academic and Professional Staff covered by the University of South Australia Academic and Professional Staff Collective Agreement 2006 or employed pursuant to an Australian Workplace Agreement (AWA), where a reference to this procedure is specifically referred to in the AWA, all prior continuous paid service within other Australian universities or any other employer with which the University has a reciprocal arrangement qualifies as service in accordance with the requirements of Clause 2, transferability of service.

2. Transferability of Service

Clause 2 only applies to Academic and Professional Staff covered by the University of South Australia Academic and Professional Staff Collective Agreement 2006 or employed pursuant to an Australian Workplace Agreement (AWA), where a reference to this procedure is specifically referred to in the AWA.

- a) For the purpose of determining a long service leave entitlement, except for those staff that are paid a salary by the University from external research funds, the University will recognise all prior continuous paid service at other Australian universities or any other employer with which the University has a reciprocal arrangement in the following circumstances:
 - i) Recognition of prior continuous service is confined to the immediate past university or other employer (including continuous prior service that may be recognised by that university or other employer); and
 - ii) Where a staff member has not received payment from the immediate past university or other employer for accrued long service leave or no such leave has been taken, the University will recognise up to a maximum of five (5) years service for the purpose of calculating long service leave entitlements.
- b) If a staff member has been paid in lieu of long service leave, or has taken long service leave pursuant to Clause 2, prior to accepting appointment at the University, the entitlement in respect of such long service leave taken or paid in lieu will not be transferred, although the staff member's date of commencement at the immediate past university will be recognised up to a maximum of five (5) years for the purpose of accessing a long service leave entitlement pursuant to this clause.
- c) Recognition of prior service with the immediate past university or immediate other employer with which the University has a reciprocal arrangement will be recognised by the University provided that:
 - i) For academic staff, the period between service at the previous appointment to taking up employment at the University is no more than two (2) months, or longer period approved by the Director: Human Resources at the request of the staff member; or
 - ii) For professional staff, the period between service at the previous appointment to taking up employment at the University is no more than three (3) months.

3. Long Service Leave Entitlement

- a) A staff member who has ten (10) years or more full-time service is entitled to the following long service leave:
 - i) Ninety one (91) calendar days leave in respect of the first ten (10) years of service, calculated as nine point one (9.1) calendar days per completed year of service; and

- ii) Nine point one (9.1) calendar days leave in respect of each subsequent year of service.
 - iii) Members of the professional staff and ex-SACAE staff will be entitled to fifteen (15) calendar days of long service leave in respect of the sixteenth and each subsequent year of effective service.
- b) Staff who have undertaken periods of part-time service will accrue long service leave credits on a pro-rata basis in respect of that service and this will be calculated and expressed as full-time equivalent calendar days.
 - c) Staff who have undertaken periods of casual service will also accrue long service leave credits on a pro-rata basis in respect of that service, calculated by averaging the weekly hours of work over the period of the casual service. Such credits will also be expressed as full-time equivalent calendar days. Further advice about the allowance or calculation of long service leave for staff who have undertaken periods of casual service can be obtained from the Human Resources Unit.
 - d) A staff member who has an entitlement to not less than ninety one (91) days of long service leave may apply in any year of service to receive a payment in lieu of their long service leave entitlement (i.e. cashing in).
 - e) Where the service of a staff member who is entitled to long service leave under the Long Service Leave Entitlement section is terminated, the staff member is entitled to a payment in lieu of long service leave.
 - f) Subject to the Long Service Leave Entitlement section a staff member who has completed seven (7) years service is, on termination of service, entitled to a payment equal to the monetary equivalent of the staff member's balance of long service leave entitlement at the time of termination.
 - g) A staff member who has completed seven (7) years service (but less than ten (10) years) is not entitled to a payment if:
 - i) the staff member's contract of service is terminated on the ground of serious and wilful misconduct on the part of the staff member; or
 - ii) the contract of service is unlawfully terminated by the staff member.
 - h) Where a staff member's service is terminated by the staff member's death, the staff member's entitlement under this section vests in his or her personal representative.
 - i) Where long service leave has been taken by a staff member or a payment in lieu of long service leave has been made, the staff member's long service leave entitlement is reduced accordingly.

4. Ordinary Rate of Pay

- a) A reference in these provisions to a staff member's ordinary rate of pay is a reference to the staff member's rate of pay as at the relevant date (date of commencement of a period of long service leave) exclusive of overtime, shift premiums and penalty rates but this definition is subject to the following qualifications:

- i) if the staff member is employed on commission or on any other system of payment by result, the staff member's ordinary rate of pay will be ascertained by averaging the staff member's weekly earnings over the twelve (12) months immediately preceding the relevant date; and
- ii) for casual staff the ordinary rate of pay will be ascertained by averaging the number of hours worked per week in a period not greater than three (3) years preceding the relevant date and multiplying that result by the staff member's rate of pay per hour as at the relevant date, exclusive of overtime, shift premiums and penalty rates (and for the purposes of this paragraph a person who is employed on a casual basis is not to be regarded as being paid at a penalty rate).

5. Taking of Leave

- a) Long service leave will be granted by the University to a staff member as soon as practicable (taking into consideration the needs of the University) after the staff member becomes entitled to the leave.
- b) Long service leave shall be taken at times and for periods agreed upon by the staff member entitled to the leave and the Manager of the Division/School/Unit in which the staff member is employed.
- c) Long service leave should be taken in one (1) continuous period.
- d) The Vice Chancellor (or nominee) may permit a staff member who has not less than seven (7) years effective service to take pro rata long service leave in respect of that effective service, except as specified in the Cultural Leave procedures.
- e) Subject to Clause 5 f), a member of staff who has qualified for long service leave shall be entitled to take long service leave at a time of his or her choosing, provided that at least six (6) months written notice of such leave is given and, in the absence of such notice, the Vice Chancellor (or nominee) consents.
- f) Where a member of staff has accumulated a long service leave entitlement in excess of 135 calendar days, the Vice Chancellor (or nominee) may give the staff member written notice to take up to three (3) months of such leave, at a time convenient to the needs of the University, provided that:
 - i) the Vice Chancellor (or nominee) shall give the staff member written notice of at least twelve (12) months of the date on which leave must commence;
 - ii) the staff member shall not be required to take long service leave within twenty four (24) months of the intended date of retirement of the staff member;
 - iii) the minimum period of leave the University can require a staff member to take shall be six (6) weeks;
 - iv) in any case where a staff member has taken leave pursuant to this sub clause the Vice Chancellor (or nominee) shall not require the staff member to take a further period of long service leave for a period of two (2) years after the end of that period of leave.

- g) Despite the preceding provisions of this section, the relevant cost centre manager and a staff member may agree on:
 - i) the deferral of long service leave;
 - ii) the taking of long service leave in separate periods and, where agreed, the use of other forms of leave between such periods of long service leave;
 - iii) the granting and taking of long service leave on less than the prescribed notice period;
 - iv) the taking of long service leave in anticipation of the entitlement to the leave accruing to the staff member.
- h) The University may deduct from any remuneration payable to the staff member on the termination of service the difference between the amount paid to the staff member in respect of the long service leave taken and the amount of payment in lieu of long service leave (if any) to which the staff member would have been entitled on the termination of service if the staff member had not taken leave in anticipation of the entitlement accruing where:
 - i) a staff member takes long service leave in anticipation of the entitlement to that leave accruing to the staff member; and
 - ii) before the entitlement to that leave accrues, the service of the staff member is terminated (for any reason).

6. Minimum Absence on Long Service Leave

The minimum absence of a staff member under an application for long service leave is seven (7) calendar days except as outlined in the Cultural Leave procedures.

7. Payment In Respect of Long Service Leave

- a) A staff member who is on long service leave is entitled to be paid at his or her ordinary rate of pay, commensurate with the classification level of the staff member's position during that leave.
- b) A staff member who holds a substantive part-time appointment may elect to receive payment for a period of long service leave at a full-time equivalent rate. In this case the corresponding full-time equivalent number of calendar days will be deducted from the staff member's entitlement.
- c) Alternatively a part-time staff member may elect to take a period of long service leave at their corresponding part-time rate of pay.
- d) Payment for a period of long service leave will be made in one of the following ways:
 - i) in advance for the whole period of leave; or
 - ii) on the same days as payment of salary would have been made if the staff member remained at work; or
 - iii) in some other way agreed between the University and the staff member.
- e) A staff member may elect to take long service leave on half salary, and in that event the period of leave shall be twice the period to which the staff member would otherwise have been entitled and payment will be made for the full period of the absence at half of the staff member's normal rate of pay.

- f) For determining the effect on other leave entitlements only:
 - i) the first half of the leave shall be on full pay; and
 - ii) the second half of the leave shall be deemed to be leave without pay.
- g) If a variation in a staff member's rate of pay occurs while the staff member is on leave, that variation will be reflected in the payment for the leave and if payment has been made in advance, the University will, on the staff member's return to work, make any adjustment necessary to give effect to the variation.

8. Payment in Lieu (Cashing- in)

A staff member with an entitlement to not less than ninety one (91) days of long service leave may apply in any year of service to receive a payment in lieu of their long service leave entitlement (i.e. cashing in). The payment (i.e. cashing in payment) will be calculated at the staff member's ordinary rate of pay applicable immediately before the payment is made.

Application Process

A written request must be made to Payroll Services using the [Cashing in Long Service Leave Application form](#) HRIS 022 available from the Human Resources web site. Manager's authorisation is unnecessary.

LSL is recorded and taken (or paid) in calendar days. Therefore 7 LSL days is equivalent to 1 weeks salary (ie: 5 working days). Employees must apply to cash in their LSL in calendar days. For example: if an employee nominates 91 LSL calendar days to be paid to them in cash they would receive a payment of 13 weeks salary (ie: 91 calendar days / 7 calendar days per week).

The employee's LSL entitlement balance will decrease by the number of calendar days that the employee nominates on the HRIS 022 form. Employees should be aware that once payment is made they have no further claim to the part of their entitlement that was paid to them in cash.

Payment

Payment will be made by Payroll Services in the first available pay following the receipt of the request – Payroll cut off dates will apply. This payment will be paid to the employee's ordinary bank account as held on the payroll system. If the payment is to be made to another bank account these instructions must be included with the initial request.

The payment will be taxed at the employee's marginal rate of tax. The tax savings that are received on termination are not applicable. The payment must be declared as normal gross salary on the employee's payment summary and therefore will be taxed the same as normal gross salary.

Receiving a cash payment for LSL will increase the employee's total taxable income for the financial year in which it is paid. This may have an effect on any taxation benefits that the employee receives.

Superannuation

LSL that has been 'cashed in' does not attract any superannuation contributions. Employees may transfer their lump sum payment of LSL into a superannuation fund. However it will be taxed at the employee's marginal rate of tax and treated as a post-tax voluntary lump sum contribution (also known as an undeducted contribution).

Independent financial and taxation advice is advised prior to making a request for a LSL cash-in payment.

9. Payment in Lieu on Termination of Employment

- a) A payment in lieu of long service leave made under these provisions on the termination of a staff member's service:
 - i) will be calculated at the staff member's ordinary rate of pay applicable immediately before the termination; and
 - ii) will be made to the staff member as soon as practicable following the termination or, if the staff member has died, to the personal representative of the staff member on request.
- b) The payment in lieu of long service leave made under these provisions on the termination of a staff member's service shall be calculated in accordance with:
 - i) in the case of a staff member who was entitled to long service leave, the salary that would have been payable if the long service leave had commenced on the day of cessation of service;
 - ii) in the case of a staff member to whom pro rata long service leave could have been granted, the salary that would have been payable if pro rata long service leave had been granted in respect of all the staff member's effective service and that leave had commenced on the day of cessation of service.

10. Employment during Leave

A staff member must not, while on long service leave, engage in any other employment in place of the employment in relation to which the right to leave accrued.

RESPONSIBILITIES AND/OR AUTHORITIES

Immediate supervisor

The immediate supervisor is responsible for facilitating the leave management process in accordance with this procedure.

Staff Member

All staff are expected to manage their long service leave in accordance with this procedure.

The Human Resources Unit

The Human Resources Unit is responsible for the development and continuous improvement of these procedures.

CROSS REFERENCES

- Cultural Leave Procedures
- Long Service Leave Act

FURTHER ASSISTANCE

Management and staff may seek further advice from:

- Their immediate supervisor
- The designated HR officer/coordinator for their area
- The Human Resources Unit
- The Human Resources website

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