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 Enterprise Agreement 2014.
2. The University of South Australia Senior Staff Collective Agreement 2006.
3. 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. Entitlement
   a) Full-time staff

      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) **Part-time staff**
   
   i) 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) **Casual staff**
   
   i) 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.

   ii) Such credits will also be expressed as full-time equivalent calendar days.

   iii) For further advice about the allowance or calculation of long service leave for staff who have undertaken periods of casual service, refer to the ‘Long Service Leave for Casuals Guidelines’ or contact the Human Resources Unit.

2. **Further Conditions**

   Refer to the relevant industrial instrument for further long service leave conditions.

3. **Taking Leave**

   A staff member may request long service leave subject to the following conditions;

   a) Leave shall be taken at times and for periods agreed upon by the staff member and the Manager of the Division/School/Unit in which the staff member is employed.

   b) Leave should be taken in one (1) continuous period and the minimum period of absence of a staff member is seven (7) calendar days. Exceptions to this are for leave taken for domestic violence purposes (refer to Special Leave procedure) or for cultural leave purposes (refer to Cultural Leave procedures). Long service leave is recorded and taken (or paid) in calendar days. Therefore seven (7) long service leave days is equivalent to one (1) weeks’ salary (i.e: five (5) working days for full-time staff members).

   c) The Vice Chancellor (or Director: Human Resources) 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.

   d) Payment of leave will be at the staff member’s ordinary rate of pay as at the commencement date of the period of leave as per the relevant industrial instrument.

   e) The staff member is required to complete and submit a completed HRIS 008 form (with relevant authorisations) when making a request for leave.

   f) The employee’s long service leave entitlement balance will reduce accordingly.

4. **Payment in Lieu (Cashing in)**

   A staff member with an entitlement ninety one (91) or more 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.

**a) Application Process**

i) A must be made by the staff member to Payroll Services using the online Cashing in Long Service Leave Application form available from the Human Resources web site. Manager’s authorisation is not necessary.

ii) Staff must apply to cash in their long service leave in calendar days. For example: if an employee nominates ninety one (91) long service leave calendar days to be paid to them in cash they would receive a payment of thirteen (13) weeks salary (ie: 91 calendar days / 7 calendar days per week).

iii) The employee’s long service leave entitlement balance will decrease by the number of calendar days that the employee nominates on the application form.

iv) Once payment is made a staff member has no further claim to the part of their entitlement that was paid to them in cash.

**b) Payment**

i) 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 staff member’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.

ii) The payment will be taxed at the staff member’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 staff member’s payment summary and therefore will be taxed the same as normal gross salary.

iii) Receiving a cash payment for long service leave will increase the staff member’s total taxable income for the financial year in which it is paid. This may have an effect on any taxation benefits that the staff member receives.

**c) Superannuation**

i) Long service leave that has been ‘cashed in’ attracts 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).

ii) Independent financial and taxation advice is advised prior to making a request for a long service leave cash-in payment.

**5. Payment in Lieu on Termination of Employment**

a) A payment in lieu of long service leave made on the termination of a staff member’s service will be:

i) calculated at the staff member’s ordinary rate of pay applicable immediately before the termination; and
ii) 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.

iii) calculated based upon the salary that would have been payable if the long service leave had commenced on the day of cessation of service (in the case of a staff member who was entitled to long service leave).

iv) calculated based upon 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 (in the case of a staff member to whom pro rata long service leave could have been granted).

b) 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.

c) A staff member who has completed seven (7) years service, but less than ten (10) years service, is not entitled to a long service leave payment if the staff member’s contract of service is terminated on the grounds of serious misconduct on the part of the staff member, or the contract of service is unlawfully terminated by the staff member.

6. Employment During Leave

a) 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.

b) Whilst taking long service leave, a staff member is not be permitted to engage in other employment unless the work is;

i) unrelated to University business; and

ii) does not create a conflict of interest; or

iii) the staff member is undertaking an approved activities arrangement in accordance with the University of South Australia’s University Activities - Personal Risk Activities Guidelines; or

iv) undertaken outside of the hours that the staff member would have worked at the University, had they not been on leave.

For example:

Bob is a part-time lecturer at the University working on Monday and Tuesday every week. He also works on Thursday and Friday every week at another employer. He is presently taking long service leave from his work at the University. Whilst on long service leave with the University, Bob cannot undertake work on Mondays and Tuesdays as he is currently being paid to take a break at these times, but can continue his other employment with the other employer.

c) A staff member must seek approval from the Director: Human Resources to undertake outside employment whilst on long service leave, except in the circumstances outlined in the above clauses 6 b) iii) and 6 b) iv).
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.

REFERENCES

- Cultural Leave Procedures
- Special Leave Procedures

FURTHER ASSISTANCE

Management and staff may seek further advice from:

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

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