

## Community Sector Portable Long Service Leave Scheme Details

<u>Attribute</u>	<u>Scheme Details</u>
<b>Scheme Commencement</b>	1 July 2010 – the first employers’ returns and payments will be due in October 2010 for the July to September quarter
<b>Portability</b>	Scheme provides a portable long service leave entitlement to employees undertaking relevant work across the community sector for any employer within the industry
<b>Compulsory Registration of Employers and Employees</b>	Yes for all relevant employers and their employees
<b>Scope/Definition of Scheme</b>	Work carried out in the ACT community sector industry including child care but not including aged care; <b>Includes inter-state based companies working in ACT</b>
<b>Basic Worker/Employee Entitlement</b>	8.67 weeks leave after 10 years service in the industry
<b>Other Entitlements/Benefits</b>	Pro-rata payment after: <ul style="list-style-type: none"> <li>○ 5 years of service within the scheme;</li> <li>○ 55 days of service within the scheme if: <ul style="list-style-type: none"> <li>➢ leaving industry due to incapacity,</li> <li>➢ prescribed retirement age is reached (55 years), or</li> <li>➢ death (payment to estate)</li> </ul> </li> </ul>
<b>Transfer of existing liabilities from employer to Authority</b>	No; existing LSL liabilities and funds to cover those liabilities are retained by employers; <b>Note:</b> <b>Once scheme commences and quarterly levy payments are made, the employer incurs no new LSL liability</b>
<b>Employers Contribution Levy (cost of scheme to employer)</b>	1.67% of ordinary wages, as calculated by the actuary, recommended by the Board and determined by the Minister of Industrial Relations <b>Levy contributions are GST exempt</b>
<b>Employer Reimbursements</b>	For employer payments to employees relating to a <b>combination</b> of long service leave accrued prior to the commencement of the scheme and for long service leave service accrued after the commencement of the scheme (and paid in accordance the 1976 Long Service Act and the 2009 Portable Schemes Act), <b>the Authority will reimburse employers for that portion of the payment to their workers which relates to employee long service leave accrued after the commencement of the scheme;</b> <b>Note:</b> <b>All payments to employees based solely on service accrued after the commencement of the scheme will be made directly by the Authority</b>
<b>Frequency of Employer Returns and Levy Payments (employees’ working days and wages)</b>	Returns and Levy Payments must be submitted quarterly in arrears: <ul style="list-style-type: none"> <li>○ July to September – returns and levy payments are due by the end of October,</li> <li>○ October to December – returns and payments are due by the end January,</li> <li>○ January to March – returns and payments are due by the end of April,</li> <li>○ April to June – returns and payments are due by the end of July</li> </ul>

<u>Attribute</u>	<u>Scheme Details</u>
<b>Methods of Returns</b>	<ul style="list-style-type: none"> <li>○ E-mail based form</li> <li>○ Spreadsheet – electronic data interface</li> <li>○ Web (once new IT system is implemented)</li> <li>○ Paper (if requested)</li> </ul>
<b>Employer Penalties</b>	<ul style="list-style-type: none"> <li>○ Late Submission of Return information - \$100 per month or part thereof</li> <li>○ Late Payment of levy associated with quarterly return - \$100 per month or part thereof</li> </ul>
<b>Information from Authority to Employers</b>	<ul style="list-style-type: none"> <li>○ Quarterly Return,</li> <li>○ Quarterly newsletter,</li> <li>○ Annual Certificates: <ul style="list-style-type: none"> <li>➤ name of each worker</li> <li>➤ number of days credited to each employee (total and previous financial year - FY)</li> <li>➤ total of all levy amounts paid in previous FY)</li> </ul> </li> </ul>
<b>Registered Contractors Levy (if required)</b>	1.67% of ordinary wages, as recommended by the actuary, and determined by the Minister for Industrial Relations
<b>Registered Contractors Entitlement (if required)</b>	Total amount paid to Authority plus interest calculated in accordance with the legislation
<b>Information from Authority to Employees</b>	Annual Certificates, which incorporate: <ul style="list-style-type: none"> <li>○ number of days of service credited (total and last FY)</li> <li>○ total ordinary remuneration during the previous FY</li> <li>○ name of each employer</li> </ul>
<b>Maximum Break in Service/Employment in Industry</b>	Over 4 years – employees with less than 5 years service are deregistered
<b>Minimum Period of Leave</b>	2 weeks
<b>Payment instead of Leave</b>	No
<b>Pro-rata payment after 5 years</b>	Yes
<b>Days of service required for one year's credit</b>	365
<b>Reciprocal Agreement with other States and Territories</b>	Yes if other jurisdictions implement a similar scheme
<b>Calculation of Entitlement</b>	Years/days of service x highest of weekly wages for the most recent 2, 4, 20 quarters
<b>Backdating of Service Accrued and Levy Payments</b>	Yes, but only for service after commencement of the scheme
<b>Inspection Powers</b>	Broad range of powers, including: <ul style="list-style-type: none"> <li>○ entry to employer premises</li> <li>○ right of access to and examination of employment records</li> <li>○ right to take copies of records</li> </ul>
<b>Board and Registrar Decisions Reviewable by ACT Civil and Administrative Tribunal (ACAT)</b>	<ul style="list-style-type: none"> <li>○ Registration</li> <li>○ Crediting Prior Service</li> <li>○ Record of service</li> </ul> <b>Note:</b> Legislation gives ACAT the power to enforce all provisions.

<u>Attribute</u>	<u>Scheme Details</u>
<b>Public Holidays</b>	Public holidays falling during a period of long service leave are paid/accounted for by the employer and not the Authority
<b>Actuarial Reviews</b>	<ul style="list-style-type: none"> <li>○ Yearly for confirmation of liabilities for Financial Statements – ‘peer reviewed’ by another actuary;</li> <li>○ 3-Yearly for confirmation of actuarial assumptions and the adequacy of the employers’ contribution levy rate</li> </ul>
<b>Taxation of LSL Payments</b>	<ul style="list-style-type: none"> <li>○ Leave taken is normally debited against the most recently accrued long service leave, however leave accrued prior to the commencement of the scheme can be exhausted initially where a claim encompasses all pre-scheme service or a mixture of pre and post-Scheme commencement service</li> <li>○ Tax on all payments by the Authority (except for reimbursements to employers) is calculated by the Authority, withheld from the employee payment and is paid directly to the ATO by the Authority</li> <li>○ Payment Summary is forwarded to the employee</li> <li>○ Yearly Payment Summary is forwarded to the ATO</li> </ul>