

The Ultimate Guide To Long Service Leave

Answering the frequently asked questions when it comes to Long Service Leave

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Introduction



Long Service Leave is a much-anticipated reward for years of hard work and dedication, and many Australians begin dreaming of it early in their careers.

Whether it's traveling in a caravan, going overseas, pursuing further education, or exploring a personal interest, Long Service Leave provides a well-deserved break.

Long Service Leave is one of those things that's often confusing for many business owners. They know that it exists and they know that they are liable for it, but there isn't as much emphasis on it as there is with the other types of leave. In saying that, we thought it might be useful to answer some commonly asked questions about Long Service Leave.

About Now Actually

Now Actually is an outsourced Human Resources company supporting businesses in managing the and ever complex changing employment framework in Australia.

Working across all industries, we provide practical, easy to understand information that allows our clients to focus on their business knowing that the people component is taken care of.

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Chapter 1 What is Long Service Leave?



After working for the same employer for a certain period, employees are entitled to paid leave known as long service leave.

Long Service Leave (LSL) forms part of the National Employment Standards (NES). The NES applies to all employees covered by the national workplace relations system, regardless of any award, agreement, or contract. All employees are entitled to LSL under the NES. It's a type of leave for the recognition of service within the one organisation and/or industry.

Additional Long Service Leave, beyond the initial entitlement period, is granted every few years as long as the employee continues their current employment.

The length of time required before an employee is eligible for Long Service Leave varies across different states. Additionally, the amount of paid leave an employee is entitled to also varies.

What is the difference between long service leave and annual leave?

As per their award and the National Employment Standards, employees are entitled to a specific amount of annual leave every year, with four weeks being the norm for most jobs. Annual leave accrual is continuous and based on the number of paid work hours. It continues to accrue even when an employee is on annual leave, sick leave, or long service leave. However, only permanent employees are eligible for annual leave, and casual workers are not.

In contrast to annual leave, eligibility for long service leave is based on the number of years an employee has worked for the same employer. It's not determined by paid work hours.

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Chapter 2 Who is Entitled to Long Service Leave?

Long service leave is available to all types of employees, including casual, part-time, and full-time workers, as long as they've worked for the same employer for the required period of time.

Employees who are exempt from Long Service Leave entitlement

Freelancers and contractors generally don't have access to long service leave entitlements, except for those working in certain industries such as mining, cleaning, or construction. For instance, builders in NSW and Victoria can register with the Long Service Leave Scheme, which lets them accumulate long service leave across various employers and projects.

The long service leave entitlements for federal employees or those employed by local governments may differ from the standard entitlements.

In some cases, employees who have completed the majority of their service overseas in multinational companies may not be eligible for long service leave.

Additionally, employees who leave an employer before completing five years of service are typically not entitled to long service leave.





Long Service Leave for Victoria



Coverage

Employees in Victoria are mostly covered by the <u>Long Service Leave</u> <u>Act 2018 (the Act).</u>



Exclusions

The Act does not apply to employees who are covered by other Victorian legislation that includes long service leave entitlements, e.g., the Construction Industry Long Service Leave Act 1997 which allows for <u>portable long service leave</u> for workers in the construction industry.



Length of Service

Under the Act, employees are entitled to long service leave after a **minimum of 7 years**' continuous service with their employer.



Employee Entitlement

Full-time, part-time, casual and seasonal employees are entitled to long service leave, provided they have completed the required amount of continuous service.



Cashing Out & Pro-rata

There is no pro-rata leave or cashing out of leave under the Act.

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Long Service Leave for New South Wales



Coverage

Employees in New South Wales are mostly covered by the <u>Long Service</u> <u>Leave Act 1955 (the Act)</u>.



Length of Service

Under the Act, employees are entitled to LSL upon the completion of at least 10 years of continuous service with their employer. On top of this, for each additional five years of service after the initial 10, employees are entitled to a further month of long service leave.



Employee Entitlement

Full time, part time, and casual employees are entitled to long service leave, provided they have completed the required amount of continuous service.



Cashing Out & Pro-rata

An employee who has completed at least 5 years of continuous service, but less than 10 years, will be entitled to pro-rata long service leave in certain circumstances, where an employee resigns on account of illness, incapacity or domestic or other pressing necessity or dies, but not if they were terminated for serious misconduct.

LSL cannot be cashed out under the New South Wales Act.



Long Service Leave for Western Australia



Coverage

Employees in Western Australia are mostly covered by the <u>Long Service</u> <u>Leave Act 1958 (the Act</u>).



Length of Service

Under the Act, employees are entitled to long service leave after the completion of at least 10 years of continuous employment with their employer.

On top of this, for each additional five years of continuous employment following the initial 10 years, employees are entitled to a further month of long service leave.



Employee Entitlement

Full-time, part-time, and casual employees are entitled to long service leave, provided they have completed the required amount of continuous service.



Cashing Out & Pro-rata

An employee is entitled to pro-rata long service leave when they work at least 7 years but less than 10 and the employment is terminated by death; or for any reason other than serious misconduct.

In some circumstances, employers and employees can agree in writing that employees will cash out some of their long service leave.



Long Service Leave for Queensland



Coverage

Employees in Queensland are mostly covered by the <u>Industrial Relations</u> <u>Act 2016 (the Act)</u>.

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Portable Long Service Leave

Portable LSL is available for employees (including apprentices, fulltime, trainees and casuals) who work in the Building and construction industry, Contract cleaning industry, and the Community Service industry. Employers with employees covered by the portable long service leave scheme must register with QLeave



Length of Service

The LSL entitlement in Queensland is after a period of 10 years of continuous employment.

Beyond ten years of continuous service, employees are entitled to an additional 4 weeks' long service leave for each additional five years of continuous service.



Employee Entitlement

Full-time, part-time, and some casual employees, as well as seasonal employees in specific industries, are entitled to LSL provided they have completed the required amount of continuous service.



Long Service Leave for Queensland



Cashing Out & Pro-rata

An employee who has completed at least 7 years of continuous service, but less than 10 years, will only be entitled to pro-rata long service leave on termination under certain circumstances including where an employee resigns on account of illness, incapacity or domestic or other pressing necessity, or dies, or the employer dismisses the employee for a reason other than the employee's conduct, capacity or performance or unfairly dismisses the employee.

If cashing out is permitted under an award or agreement that covers an employees' employment, an employee may make an agreement with their employer to cash out all or part of their accrued long service leave entitlements. Any such agreement must be in writing and signed by the employee and the employer. In the absence of such a provision, an application on the grounds of compassionate or financial hardship can be made to the <u>Queensland Industrial Relations Commission</u>.

Need guidance when it comes to Long Service Leave?

We're here to help.

Contact Us

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Long Service Leave for Northern Territory



Coverage

Employees in the Northern Territory are mostly covered by the <u>Long</u> <u>Services Leave Act 1981 (the Act)</u> unless they are government employees or a construction worker.



Length of Service

Under the Act, employees are entitled to LSL upon completion of **at** least 10 years of continuous employment with their employer.

On top of this, they are entitled to an extra 1.3 weeks of long service leave for each additional year of service following the initial 10 years which can only be taken after an additional five years' service.



Employee Entitlement

Full-time, part-time and casual employees may be entitled to long service leave, provided they have completed the required amount of continuous service.



Cashing Out & Pro-rata

An employee, who has completed at least 7 years of continuous employment, but less than 10 years, will be entitled to pro-rata long service on termination where the employment ends due to retirement or account of illness, incapacity or domestic or other pressing necessity, and on the termination of employment by the employer for a reason other than serious misconduct.

LSL cannot be cashed out.

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Long Service Leave for South Australia



Coverage

Employees in South Australia are mostly covered by the <u>Long Service</u> <u>Leave Act 1987 (the Act)</u>.

It is important to note that the Act does not apply to Public Sector employees or employees covered by the Construction Industry Long Service Leave Act 1987 or the Long Service Leave (Portable Schemes) Act 2009.



Length of Service

Under the Act, employees are entitled to LSL upon the completion of **at least 10 years of continuous employment** with their employer.

On top of this, they are entitled to an additional 1.3 weeks of long service leave for each full year of service after the initial 10 years.



Employee Entitlement

Full-time, part-time and casual employees may be entitled to long service leave, provided they have completed the required amount of continuous service.



Long Service Leave for South Australia



Cashing Out & Pro-rata

An employee, who has completed at least 7 years of continuous employment, but less than 10 years, will be entitled to pro-rata long service on termination where the employment is terminated by the employer for any reason other than the employee's serious and wilful misconduct, or the employee resigns and gives the correct notice.

By agreement between an employer and an employee, an employee (with at least ten years of continuous service) can cash out all or part of their entitlement to long service leave. This agreement must be in writing and signed by both parties.

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Long Service Leave for Tasmania



Coverage

Employees in Tasmania are mostly covered by the <u>Long Service Leave</u> <u>Act 1976 (the Act)</u>.



Exclusions

Separate provisions under the Act apply to Mining employees. The Act may not apply to the construction industry or Public Sector employees.



Length of Service

Under the Act, employees are entitled to long service leave upon the completion of **at least 10 years of continuous employment** with their employer.

On top of this, they are entitled to four weeks for each additional five years of service after the initial 10 years.



Employee Entitlement

A full-time, part-time or casual employee who has completed at least 7 years of continuous service but less than 10 years, may be entitled to pro-rata long service leave in certain circumstances.



Long Service Leave for Tasmania



Cashing Out & Pro-rata

An employee will be entitled to pro-rata long service leave when they attain retirement age (65 years of age for a male, or 60 years of age for a female) or the employee dies, or where the employment is terminated by the employer for any reason other than serious and wilful misconduct.

An employee might be entitled to pro-rata long service leave where employment ceases due to illness or the employee resigns due to incapacity or 'domestic or other pressing necessity.

By agreement between an employer and an employee, an employee (with at least ten years of continuous service) can cash out all or part of their entitlement to long service leave. This agreement must be in writing and signed by both parties.

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Chapter 4 Portable Long Service Leave

What is Portable LSL?

Some Australian States and Territories have legislation to provide employees in the security, community services, building and construction, black coal mining, and contract cleaning industries with access to Portable Long Service Leave.

This means employees continue to accrue long service leave whilst working for different employers within the same industry.

Got questions about Long Service Leave?

Contact Now Actually to gain further information regarding LSL including how to calculate LSL entitlements.

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