

# Queensland Baptists Administrative Services - Factsheet

## Long Service Leave— Staff other than Registered Pastors

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Through Queensland Baptists we offer a special Long Service Scheme for our Registered Pastors. The details of this scheme are covered in a separate fact-sheet. For all other employees, the following long service leave conditions apply.

### Standard Employment

In 2009, the Federal Government brought in a new workplace relations system “The Fair Work Act” that incorporated a set of standard conditions of employment called “National Employment Standards”. The NES codified 10 conditions that must apply to every employment arrangement. While it remains possible to bargain away these conditions – there is a high onus of proof on the employer to show their employee is no worse off under such an agreement... for most of us small employers (which is how a typical church is viewed by this legislation) it is far more practical to simply comply with the conditions. They cover issues like working hours, annual leave, public holidays and termination pay. Long service leave for employees is one of these standard 10 conditions.

So the first thing to say is that every employee – permanent or casual, full time or part time – has a legal right to long service leave.

Unlike most of the other conditions in the NES, however, Long Service Leave provisions under the various state systems varied considerably from one another. It was decided it was too hard to standardise these conditions in time for the new legislation. So the new federal legislation points back to old state legislation “pending the development of a uniform national long service leave standard”. The state systems are quite different from one another, so it is easy to give wrong advice on this issue if there is any interstate involvement!

The old Queensland rules therefore still apply for all employees. In summary, the entitlement is 8.667 weeks leave after 10 years continuous service for an employer. There are certain conditions that allow a pro-rata payout after 7 years if an employee concludes their service, but only under quite specific conditions.

Wise employers ought to provision for this cost in their accounts so they are not hit with a large unplanned expense when an employee decides to take leave. The simplest form of provisioning works if an employee was paid the same every year: to pay for 8.667 weeks after 520 weeks you put aside 1.67% of wages paid. This ought to be the minimum a church does for its non-registered pastoral staff.

But wages typically don't stand still. If any employee's wages are going up, then the provision needs to grow to cover it, because you will always have to pay LSL at their current wage level. So if you give an employee a pay rise, you also need to recalculate their LSL entitlement at their new wage level and add in to your provision the gap.

Of course, many employees leave an organisation prior to



earning the right to take LSL, and in that case you can take the provision you made for their leave back into your general account.

In short – I suggest that at least once per year, you work out what the LSL entitlement is for each staff member, how much that would cost, and seek to put aside a provision for this amount in your church's accounts.

### **Long Service Leave for Casual Employees**

This may apply to many churches regarding cleaners or office staff.

Until national arrangements are finalised, LSL for casual employees is still governed by the Industrial Relations Act Qld 1999. A casual or part time employee is eligible for LSL irrespective of number of hours worked, so long as their service is continuous. In the case of contract or casual labour, "continuous" is defined as working with no breaks of more than three months between contracts or work periods. To determine the level of eligibility, you need to add up the total number of hours the employee worked in the year and then apply the following formula:  $\text{hours} / 52 * 8.667 / 10 = \text{entitlement}$ .

Of course, if you have any questions or need further help, please do not hesitate to contact us in the office:

## **Queensland Baptists**

### **Administrative Services**

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