

THE BAPTIST UNION OF QUEENSLAND
MINISTERIAL PORTABLE LONG SERVICE LEAVE FUND RULES

Version 2.3

Approved by QB Board at their meeting on 6th May 2021

RULES

1. INTRODUCTION

The Ministerial Portable Long Service Leave Fund (MPLSLF) is a fund managed by The Baptist Union of Queensland (aka Queensland Baptists – QB). The fund is built up by contributions made by QB Churches for Registered Ministers serving with them in order to facilitate reimbursement to churches for long service leave to ministers according to these rules.

Many ministers do not normally complete sufficient years of service with one church in order to attain entitlement for long service leave. This fund provides for a minister's continuous service over several churches to attain entitlement to long service leave.

The fund does not extinguish a church's legal responsibilities as an employer to its employees regarding long service leave, although the reimbursement of the fund can be used to fund these obligations.

An Administrator, who is appointed in terms of these rules, shall manage the fund.

Cash to back the MPLSLF is stored in a named account held with Baplink and is not kept with other QB Funds. At the time of approving these rules it is believed the MPLSLF is underfunded to some extent, and the Administrator and Board are encouraged to monitor the extent of underfunding over time and to adjust the Contribution Factor to seek resolution of this.

2. DEFINITIONS

In these rules unless the context requires otherwise:

“Administrator” means a person or body appointed by QB from time to time to administer the MPLSLF.

“Applicable Rate” means the rate applicable to an eligible person at a specified time, as defined in clause 6 of these rules.

“ATO” means the Australian Taxation Office, a division of the Federal Government of Australia.

“Church” means a body of people who have been recognised as a church or fellowship by QB in accordance with its Constitution and By-laws.

“Contribution Factor” means the proportion of the full weekly rate at which a Minister's contribution to the MPLSLF is made. The default rate for this shall be 1.0, but this may be

varied by FSC from time to time in order to ensure sufficient funds are being collected to maintain the liquidity of the fund.

“Eligible Entity” means an organisation (irrespective of its legal status) defined by Clause 5 of these rules, who is eligible to make contributions and receive payouts from the MPLSLF.

“Eligible Person” means a person defined by Clause 4 of these rules, who is eligible to be considered as a member of the MPLSLF, most often by virtue of them being a Registered Minister with Queensland Baptists.

“Exempt Fringe Benefits” is a form of payment defined in Section 57 of the Fringe Benefits Act of the Federal Government of Australia. It enables ministers to receive some remuneration free from taxation.

“Financial Services Committee” means the Financial Services Committee of QB appointed in terms of its constitution and By-laws to be responsible for the administrative, financial, legal and property matters relating to the operation of QB.

“FTE” is a ratio which means “full time equivalent” – or the proportion of full time that a person is appointed to work in a particular role. This is generally determined by dividing the number of days per week the person works by five (5), so for example 0.4 FTE means the person is paid for two days’ work per week.

“Fund” means The Ministerial Portable Long Service Leave Fund of the Baptist Union of Queensland, also known as MPLSLF.

“Leave of absence” means leave from the ministry, which normally has been approved in accordance with the Guidelines for the Accreditation of Ministers.

“Ministerial Services” means the Ministerial Services Committee of the QB Board, as defined in the constitution of Queensland Baptists.

“MPLSLF” means the Ministerial Portable Long Service Leave Fund.

“SGC Rate” means the multiplier to gross up payments to take into account the Superannuation Guarantee Contribution defined and updated from time to time by the Treasury Department of the Australian Government. For example – if the prevailing superannuation rate is set at 9%, then the SGC Rate will be 1.09. At 12% super, the SGC Rate will be 1.12.

3. ADMINISTRATOR

The Board of QB shall appoint an Administrator of the MPLSLF according to its constitution and By-laws. The Administrator would normally be the Director of Administrative Services.

4. ELIGIBLE PEOPLE

Ministers registered by the Ministerial Services Committee of QB shall be entitled to receive benefits from the MPLSLF and shall be described in these rules as an Eligible Person.

5. ELIGIBLE ENTITY

Certain organisations are Eligible Entities for the purposes of the MPLSLF.

- (a) Any Church recognised by QB, including Constituted Churches, Associate Churches, Campuses, or Simple Churches.
- (b) Queensland Baptists and its Charter Groups.
- (c) Any other ministry organisation may be declared an Eligible Entity in relation to their employment of a specific Eligible Person, subject to receipt of a written application and the endorsement of the Administrator.

6. APPLICABLE RATE

A rate for charging and for benefits shall be derived for each Eligible Person by considering the Remuneration Guidelines rate approved by Financial Services Committee and published by QB from time to time, and applying the rate associated with that person. Eligible Persons who are remunerated at Senior Pastor rates or higher shall have an Applicable Rate of 110% of the Remuneration Benchmark applied. Eligible Persons who are remunerated at Ordained / Experienced rates or lower (including the Registered rate) shall have an Applicable Rate of 100% of the Remuneration Benchmark applied.

7. CONTRIBUTIONS FROM ELIGIBLE ENTITIES

Eligible Entities shall make a declaration to the Administrator shortly after 30th June each year as to the number of Eligible Persons who have served in a paid role at any point in the financial year just completed. The Administrator shall invoice the Eligible Entity an amount derived as follows:

Applicable Rate for the new financial year
Multiplied by
Contribution Factor
Multiplied by
The FTE for the Eligible Person
Multiplied by
The SGC rate applicable for the new financial year

for each Eligible Person who has served.

8. RECORDING ACCRUALS

The accrual for an Eligible Person shall be increased by a rate equivalent to thirteen weeks in fifteen years (0.867 of a week per annum) upon payment of the invoice for that contribution. Claims made for benefits will be deducted from the Accrual for the time taken.

9. CONTINUOUS EMPLOYMENT

An Eligible Person is deemed to have served a period of Continuous Employment if their period of service is unbroken except for the following circumstances.

- (a) Ministerial Services has decided to retain an Eligible Person's registration status as current although they are not serving at an Eligible Entity.
- (b) A "Leave of Absence" which is approved by Ministerial Services.
- (c) The Eligible Person's registration including their accrual of LSL benefit is transferred to another organisation (eg. an interstate Baptist Union) for a period and has then been

transferred back to QB, provided the Eligible Person has maintained continuous service for that other organisation during the intervening period.

10. CLAIMING A “NORMAL” BENEFIT

A claim for a benefit from the MPLSLF may be made by an Eligible Person and will be granted by the Administrator if the following circumstances are met:

- (a) The Eligible Person is in a paid role at an Eligible Entity.
- (b) Contributions to the MPLSLF have been made by an Eligible Entity for a minimum of ten (10) years.
- (c) The Eligible Person is in a period of Continuous Employment of at least ten (10) years.
- (d) The Eligible Entity where the Eligible Person is currently serving has agreed to allow the Eligible Person to take a period of leave of a certain number of whole weeks.
- (e) The Eligible Entity is willing to administer the payroll process for the Eligible Person for the period of leave and agrees to continue to employ the Eligible Person for the entire period of leave. This leave may occur at the start, during or the end of a period of ministry at the Eligible Entity by the Eligible Person.
- (f) The accrued entitlement of the Eligible Person is greater than the period of leave being applied for.

In these circumstances, the benefit from the MPLSLF shall be paid to the Eligible Entity, who shall administer the usual payroll responsibilities to remunerate the Eligible Person, including payment of Exempt Benefits, withholding of PAYG tax, making superannuation payments, and compliance with ATO requirements.

11. AMOUNT OF NORMAL BENEFIT

A Normal Benefit from the MPLSLF shall be calculated by applying the following formula:

The total number of weeks of leave applied for
Multiplied by
The FTE of the Eligible Person
Multiplied by
The Applicable Rate for the Eligible Person
Multiplied by
The SGC Rate applicable at the start date of the leave

12. EXCEPTIONS TO “NORMAL” BENEFITS

Under particular circumstances, the Administrator shall grant applications for benefits where the normal conditions do not all apply as follows:

- (a) Retirement: Where an Eligible Person is retiring from ministry at the conclusion of their current service at an Eligible Entity, a lump sum payment shall be made from the MPLSLF equal to the total number of weeks of accrued leave multiplied by the Applicable Rate at the date of retirement applicable to the Eligible Person. The Eligible Entity shall pay the required amount to the Eligible Person as a lump sum and declare it as accrued long service leave benefit on their severance certificate, and tax the payment as required by ATO.

- (b) Special Circumstances: Where an Eligible Person has provided continuous service of at least seven (7) years but less than ten (10) years, and Ministerial Services believe that the Eligible Person's circumstances are such that taking leave is imperative for the longevity of their ministry. Once confirmed as eligible by Ministerial Services, the Administrator shall process such a claim as a normal benefit, apart from requirement for ten years' service.
- (c) Orphaned Entitlement: Where a person is no longer an Eligible Person but would have been entitled to claim a benefit from the MPLSLF on their final day of service. The Administrator shall arrange for the payment of a lump sum directly to the person. It shall be calculated by multiplying the number of weeks of accrual by Applicable Rate for that person on their final day. For taxation purposes this shall be deemed to be a payment of exempt fringe benefits and must be used for the purchase of goods and services, not saved or taken as a cash benefit. A superannuation contribution is not applicable in this instance.
- (d) Death/Incapacity Benefit: Where an Eligible Person with continuous service of at least seven years passes away or suffers serious illness or incapacity leading their resignation while serving at an Eligible Entity, a lump sum payment shall be made to the Eligible Entity to be included in the settlement of wages to the estate. The payment shall be derived by multiplying the number of weeks accrued by the Applicable Rate.
- (e) Termination Benefit: Where an Eligible Person with continuous service of at last seven years is dismissed from service due to illness or other another reason other than the Eligible Person's conduct, capacity or performance, or the Eligible Person is unfairly dismissed, and the Eligible Person elects to not retain their accrued benefits in the MPLSLF, the Administrator shall process such a claim as a normal benefit, apart from the requirement for ten years' service.
- (f) Broken Periods: Where an Eligible Person has a period of Continuous Employment greater than ten (10) years, but Contributions to the MPLSLF have not been made by an Eligible Entity for a minimum of ten (10) years, the Administrator shall process a claim as a normal benefits, but the payment of benefits shall be limited to the Accrual in the MPLSLF.
- (g) Ex-Gratia Payment: Subject to the unanimous support of the Director of Pastoral Services, Director of QB Services and the Administrator, an "ex-gratia" payment may be made to an Eligible Person who is not yet entitled to a benefit through any other pathway but is in need of support due to their particular circumstances. The payment shall consist of not more than four times the Applicable Rate at the time for the Eligible Person, and the amount shall be deducted from the Eligible Person's accrual.

13. TRANSFER OF ACCRUED TIME

The Administrator may enter into a reciprocal arrangement with a Baptist Union or other body affiliated with the Baptist Union of Australia, or other evangelical body approved by Ministerial Services with respect to the transfer of credits for long service leave as follows:

- (i) If Ministerial Services agrees to transfer the credentials of an Eligible Person to another body, the Administrator shall contact the body to determine if they will accept a transfer any accrued benefit in the MPLSLF. If so, the amount transferred shall be determined

by multiplying the Applicable Rate by the number of weeks accrued multiplied by the SGC rate.

- (ii) If Ministerial Services agrees to accept the transfer of credentials for an Eligible Person from another body, the Administrator shall contact the body to determine if that person had any eligibility for long service leave, and if so whether they would transfer that accrual to QB. If they agree, the length and nature of the service shall be established as if they were served at an Eligible Entity. The accrual shall be determined by dividing the money received by the SGC rate and then by the Applicable Rate to give a number of weeks of eligibility. This shall be the accrual provided in the MPLSLF even if it differs to the number of weeks that would have been accrued if all the service had been undertaken at Eligible Entities.
- (iii) If an Eligible Person takes on paid employment with QB or one of its Charter Groups or a suitable QB Church (at the sole discretion of the Administrator) as their only employment, the Administrator may enter into an arrangement with the employing body to transfer the Eligible Person's accrual in the fund to their staff Long Service Leave liability, subject to agreement that any accrual will be transferred back if the Eligible Person is to leave that employment and still have leave outstanding.

14. WRITING OFF UNPAID CONTRIBUTIONS

Where invoices for contributions to the MPLSLF by an Eligible Entity remain outstanding, the amount shall remain an outstanding debt unless the Administrator agrees to write off the debt. If such an amount is written off, no accrual to Eligible Persons shall be provided, and all affected Eligible Persons are to be notified in writing that no accrual has been made for their services.

15. STATUTORY HOLIDAYS DURING LONG SERVICE LEAVE

Long service leave is exclusive of any public holiday that occurs during a period of leave that is taken. This means that the leave is extended by one day for each public holiday occurring during the leave.

16. WRITE OFF OF ACCRUAL

Where a previously Eligible Person;

- (i) has not served at an Eligible Entity for a period of at least five years, AND
 - (ii) has an accrual in the MPLSLF AND
 - (iii) has not met the length of continuous service requirement to receive a benefit
- the Administrator is to write off the accrual. If the Eligible Entity(ies) that contributed to the Fund to accrue the benefit as still members of QB, the dollar amount contributed is to be refunded to the Eligible Entity(ies). If the Eligible Entity is no longer operational, the contributions shall be retained in the MPLSLF.

17. PREVIOUS SERVICE OF ELIGIBLE PERSONS

When a person becomes an Eligible Person (generally through being a Registered Minister) and is currently employed at an Eligible Entity, the Administrator shall contact that Eligible Entity to offer a transfer of the accrual of Long Service Leave held by the Eligible Entity into the MPLSLF. If the Eligible Entity agrees to the transfer, the transferred accrual shall be derived by multiplying the Eligible Person's length of previous service by their FTE by the Applicable Rate.

18. REPORTING

The Administrator shall provide a statement of current leave accruals to all Eligible People at least every second year. A statement shall also be provided to any Eligible Person upon their request. A statement of total accruals and funds on hand shall be provided to the Board on an annual basis, and to Assembly through the Annual Reports at least every second year.

19. GRIEVANCE PROCESS

Where an Eligible Person or other affected party believes inappropriate processes have been followed in relation to an application for a benefit from the Fund, a request for review in writing may be made to The Director of QB Services detailing the grievance. If the matter cannot be resolved in that forum, it may be referred to the Board for arbitration.

20. CHANGING THESE RULES

Changes to the MPLSLF Rules shall be approved by the Board of QB. The Board may only change these rules after consultation with Ministerial Services Committee and on the recommendation of the Financial Services Committee.