

## 6.1 Long Service Leave (Karen/Jane)

### Conditions of Service – Employee Contract

#### 18 LONG SERVICE LEAVE

18.1 Long Service Leave shall be provided in accordance with the Long Service Leave Act 1958 as varied from time to time except that the employee shall be entitled to long service leave after a period of 7 years of continuous full time or part time service on an accrual rate of 1.3 weeks per year of continuous service.

18.2 Continuous service has the same meaning as that provided in the Long Service Leave Act 1958.

18.3 The minimum amount of long service leave which shall be taken is one week in accordance with the Long Service Leave Act 1958.

#### a. Calculating LSL entitlements

- Staff accrue 49.4hr pa pro-rata based on number of hours worked. Granted 494hr pro-rata on the completion of 10 years of service.
- PHCC receive Staff Entitlement Reports from CoM on a Quarterly basis.
- PHCC updates Staff Entitlement Register and Entitlement Liabilities in the Balance Sheet on a Quarterly basis.
- The official entitlement records are held with Payroll, City of Mandurah.

#### BACKGROUND

When updating the Staff Entitlement Register for period ending 30<sup>th</sup> June 2020, Manager, Finance & Payroll (Karen Henderson) noticed that on her Anniversary Date her LSL entitlement provisions had increased more than the 49.4hrs pa based on full-time employment. PHCC records showed that at 26/03/2019 her accrual was 202.84 hr, therefore at 26/03/2020 should be 252.24hrs. The CoM report reported 296.40 hrs – a difference of 44.16hrs due to calculation based on 6 years Full-time employment.

Mrs Karen Henderson	26/03/2014	202.84	49.40	0.00	252.24
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8018 Mrs Karen Henderson  
26/03/2020 26/03/2024 296.40 0.00 26/06/2020

The discrepancy was queried, along with another employee Jesse Rowley, with Payroll and response back is below:

**Karen Henderson** – This has gone from 202.84hrs to 296.40hr at 26<sup>th</sup> March? Is this too much – should it be 252.24hrs (49.4hr) – 296.40 hours is correct for 6 years LSL at full-time. Once you are full-time the system does not taken any prior part-time hours into consideration. This works for us as we don't take previous employment hours into consideration anyway.

**Jesse Rowley** - Entitlement is recorded as 148.20hrs . The 1<sup>st</sup> year she was a casual and not full-time. Only querying it as I have it recorded as 109.52hrs . **Same as above, she is now full-time so calculation is based on that only.**

When updating the Staff Entitlement Register for period ending 30<sup>th</sup> September 2020, another discrepancy with **Melanie Durack's** LSL entitlement was found. PHCCs records that at 17/03/2020 her accrual was 165.12hrs, (Part-time for 6 years) but at 30/09/2020 CoM records 296.4hrs , a difference of 131.28hrs, based on 6 years Full-time employment.

Mrs Melanie Durack	17/03/2014	165.12	0.00	0.00	165.12
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8017 Mrs Melanie Durack
17/03/2020 17/03/2024 296.40 0.00 02/10/2020

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As at 30<sup>th</sup> June, 2020 for audit purposes, **Karen Henderson's** LSL entitlement was recorded at 252.24hrs and remains this amount as a Liability.

It appears that the CoM's calculating method is not the same as the Long Service Leave Act 1958 when a staff member goes from being a Part-time employee to a Full-time employee where hours of service for each Anniversary year is calculated on a pro-rata basis and when LSL is granted, the total number of hours accrued is divided by 13 weeks of LSL owed to calculate an average weekly hours earned.

This would be the same for a staff member who has reduced working hours during the course of employment. When taking LSL or paid out on resignation how is the LSL calculated?

Thelma Crook resigned from PHCC in May 2020 and was paid out her LSL. It was considerably less than what PHCCs accrual records showed, therefore was queried with Payroll at 30<sup>th</sup> June. PHCC was not provided a copy of final pay on termination.

**Thelma Crook** – When she was paid out her LSL, was her balance calculated based on working a 2 days week. I had her total accrued as a lot more. Thelma has never queried – I just need to adjust my records. **Yes it was as we base payments of prorata LSL on weekly hours at time of resignation. Earlier years don't count.**

**Question to the F&A Committee is:**

**1. How should LSL be accrued for a staff member transitioning from Part-time to Full-time status.**

The same as CoM because we are managed by CoM Payroll, that is, when a Part-time employee becomes Full-time, you are deemed to have been a Full-time employee and any prior part-time hours are not taken into consideration?

Or

When a Part-time employee becomes Full-time, prior part-time hours are taken into consideration?

2. How should LSL be accrued for a staff member who has reduced their working hours during the course of service?

Calculated on weekly hours at time of LSL is granted or a resignation – earlier years do not count?

Or

Prior hours of service are taken into consideration when calculating LSL entitlement?

b. Cashing out of Long Service Leave

**BACKGROUND**

- Kim Wilson and Jane O'Malley have granted LSL after completing 10 years of continuous service
- Patricia Sutton is granted Pro-rata LSL after completing 7 years of continuous service (currently 9 years)
- Jordon Garbellini is due for Pro-rata LSL after completing 7 years of continuous service in December 2020
- Johanne Garvey, Julie MacMile, Melanie Durack and Karen Henderson will be due for Pro-rata LSL after completing 7 years of continuous service – Jan – Mar 2021