

Update—July 2010

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Please note: copies of the Monthly Employer Updates are also available on the TasBuild webpage at www.tasbuild.com.au

REGISTERING EMPLOYEES

Register employees on time to receive subsidized rate!

Please remember that all new employees who perform work in the construction industry as defined under the *Construction Industry (Long Service) Act 1997* must be registered with TasBuild. If you are unsure whether an employee is performing construction work as defined, please contact us on 6233 7670 as soon as possible so that we can advise you accordingly.

Where information for a new worker is not received within a few months of the workers commencement date their service is calculated on a backlog. The Rules of the Construction Industry Long Service Fund provide that backlogs are calculated at the full rate of 1.6667% prior to 1 July 2006, and at 2.5% post 1 July 2006.

Entitlement Statistics for June 2010:

- Total entitlements paid: **24**
- Total value of entitlements paid: **\$159,959.90**
- Average weekly rate paid for all entitlements: **\$934.77**
- Average weekly rates paid to specific trades:

Boilermaker:	\$922.12
Carpenter:	\$937.02
Concrete:	N/A
Electrician:	\$1,011.26
Glazier :	N/A
Labourer:	\$973.00
Painter:	\$900.00
Plant operator:	\$832.20
Plasterer:	N/A
Plumber:	\$836.76
Roadmaker:	\$869.28
Sh metal worker:	\$916.34
Others:	\$825.00

ENTITLEMENTS

How is a Workers Entitlement Calculated

Historically workers in the construction industry accrued 13 weeks after 15 years of service, with pro-rata entitlements, under certain circumstances, occurring after seven years or ten years of service. Employees who had 15 years reckonable service* in the construction industry become automatically entitled to 13 weeks long service leave.

Effective 1 January 2006 workers commenced accruing 13 weeks after 10 years of service. Existing benefits were not converted. Workers in effect, as from the January 2006 return, started accruing leave quicker!

Pro-rata entitlements still apply. After 55 days: on death or *permanent* disability and after 2 years

or incapacity prevented you from engaging in relevant employment. Subsequent entitlements are payable upon the completion of each additional 5 years of reckonable service*.

An employee who has more than 7 years reckonable service* can still claim a pro-rata entitlements from the scheme if they terminate their employment due to the following reasons:

- Termination by the employer (other than for serious and wilful misconduct).
- You terminated your employment on account of a domestic or other pressing necessity
- You terminated your employment on account of your illness or incapacity (of such a nature as to justify the termination), and the illness

or incapacity prevented you from engaging in relevant employment.

Subsequent entitlements are payable upon the completion of each additional 5 years of reckonable service*.

**TasBuild Limited maintains detailed records of the reckonable service of all employees in respect of whom returns and contributions are submitted by employers. Service statements are sent to employees who have worked within the construction industry within the last four years on an annual basis.*

Entitlement payments are calculated based on the current wage and employment status at the time the entitlement is claimed (or last service that the Trustee has recorded on the system for the worker).

Upon applying for an entitlement from the scheme a current pay slip is ob-

ENTITLEMENTS

tained from the worker and confirmation of the current wage is also obtained from the employer before the entitlement is paid.

To apply for long service simply contact TasBuild and request an application form or download from www.tasbuild.com.au.

Tax is deducted from long service payments at the rate specified by the Australian Taxation Office and a Payment Summary provided for taxation purposes. Payments can only be made in minimum weekly lots. Entitlement payments are generally made on the 15th & 30th of each month, however should you require your payment to be made on a specific date please request this with TasBuild staff. Payments are made directly into the workers bank account.

How is Portable Long Service Leave Funded

Portable Long Service in Tasmania

is supported by a Trust Fund administered by TasBuild.

Who provides money for the Fund?

The rate to fund a workers long service is approximately 2.5% of an ordinary weekly wage (13 weeks after 10 years), however should returns be submitted and invoices paid on time a subsidised rate is charged to employers. *

**The subsidised rate initially was 0.7%, from July 2006 the subsidised rate has been 0.3%, from the April 2009 return 0.6% and from the October 2009 return it is currently 2%.*

Note: Prior to 1 July 2006 the rate was approximately 1.67% of an ordinary weekly wage (13 weeks after 15 years).

Please note this percentage is not deducted from a workers wage, it is an additional cost borne by the employer. (Any backlog liability upon registration is calculated at the full

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rate of long service, 1.67% or 2.5% of the workers wage rate on registration).

What if a worker does not qualify for an entitlement what happens to the money?

Employer contributions are not taken from the wages of individual workers, it is an additional cost to the employer. Monies are held in a central fund which is invested, thus enabling the Trustee to offer a heavily subsidised contribution rate to employers within the industry.

When a worker reaches an entitlement, he/she is entitled to a payment based on the number of weeks they have accrued payable at the current rate of pay. This amount is not directly related to any contributions received by a previous employer. Conversely, if a worker fails to reach an entitlement, he/she has not lost any money.

PORTABLE LONG SERVICE LEAVE

Why Have Portable Long Service Leave?

TasBuild provides long service benefits to workers in the construction industry. If portability did not exist, a worker would need to work with the same employer for at least 10 years and not have a break longer than 3 months unpaid. In excess of 81% of workers that have been paid a long service entitlement under the Tasmanian Long Service Legislation had more than one employer during their qualifying period. If not for TasBuild these workers would not have obtained a long service entitlement.

How does portable long service work?

The basic principle underlying the legislation is that persons employed in the construction industry are able to count broken service with different employers in establishing an entitlement to long service leave. It is clear that many workers were disadvantaged if they work on separate projects and frequently move from employer to employer.

Benefits of the Scheme include:

A worker may move from one employer to another

With TasBuild it does not matter how many times you change employment, as long as you remain in the construction industry. Any period of more than 1 days duration is counted towards a long service entitlement.

Workers are allowed a longer break between employment periods

Workers can be absent from the construction industry for a period of up to 4 years without losing the service they have accrued.

A minimum of 7 years is required to gain an entitlement

Pro-rata long service entitlements are provided in certain circumstances on completion of 7 years of reckonable service. Full entitlement to long service leave occurs on completion of 10 years reckonable service.

Service is based on days worked and not a calendar year

A workers service is based on the days worked not calendar years. The

days are accrued by adding together days worked for an employer. Paid annual leave and sick leave are counted. 260 days equals a full years service (48 weeks of 5 working days, including sick leave plus 4 weeks paid annual leave).

Centralised worker service and long service records

All records are kept on one centralised database. TasBuild maintains these records and makes the payments directly to workers. Individual employers do not bear the cost when the worker takes leave. There are no administration fees for workers and TasBuild offers a heavily subsidised contribution rate for employers by carefully placing and monitoring investments and efficiently running the scheme.

Long service leave is portable around Australia

From 1 July 1998 a worker can add periods of employment in the construction industry in other states and territories together (go to "Can Service Be Transferred Interstate?" for further information).

