

**asBuild** Portable Long Service Scheme.

# Update - February 2022

22 February 2022

### How does Portable Long Service Leave Work

Portable Long Service in the construction industry in Tasmania is supported by a Trust Fund administered by TasBuild. The basic principle underlying the legislation is that persons employed in the construction industry have reported service with different employers recognized to reach an entitlement to long service leave.

It was clear that many workers were disadvantaged if they work on separate projects and frequently move from employer to employer. If portability did not exist, a worker would need to work with the same employer for at least 10 years and not have an unpaid break of longer than 3 months.

At TasBuild a worker reaches an entitlement when they have 2600 days (10 years) of reported service accrued. If working full time a worker accrues 260 working days each calendar year.

# Benefits of the Scheme for Workers

### A Worker may move from one Employer to another

With TasBuild it does not matter how many times workers change employment, as long as they remain in the construction industry in relevant employment. 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 limited circumstances on completion of 7 years of reckonable service, subject to meeting specified criteria. 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 and 260 days equals a full years service.

#### Centralised worker service and long service records

TasBuild maintains worker service records on one centralised database. TasBuild pays workers directly, not the employer and workers are not charged any fees. A heavily discounted contribution rate is offered to employers that lodge returns and pay on time due to careful management of invested funds and efficient administration of the scheme.

#### Long service leave is portable around Australia

A worker can add periods of employment in the construction industry in other states.

Inside this issue:

- . How does portable long service work
- Benefits of the scheme for workers
- When is a worker eligible for a lona service entitlement
- . Casually employed workersare you reporting correctly?
- Invoice payment options

#### TasBuild Statistics

#### Entitlements

### December 2021

Total entitlements paid: 142 Total value of entitlements paid: \$1 180 067

#### January 2022

Total entitlements paid: 114 Total value of entitlements paid: \$1 002 270

1st July 2021 - 21 February 2022 (Current Financial Year to Date)

Total entitlements paid: 940

Total value of entitlements paid: \$9 175 582

1st July 2020 - 30 June 2021 (Financial Year Ending June 2021)

Total entitlements paid: 1450

Total value of entitlements paid: \$11 271 833

### When is a Worker Eligible for a Long Service Entitlement

To be eligible for a long service entitlement a worker requires 2600 recorded working days. A worker's entitlement is not reached based on calendar years. For a full time worker, 2600 days is equivalent to 52 weeks of 5 days per week times 10 years of relevant employment (52 weeks x 5 days x 10 years). If a worker is casually employed, it will take him/her longer to achieve an entitlement.

# Casually Employed Workers—Are you Reporting Correctly?

There exists a legal obligation for any Employer to register and submit long service contributions for casually employed workers (regardless of age, residency status etc) working within the construction industry in relevant employment if they work at least 7.6 hours in the period in which you are reporting.

To calculate the number of days to be included in your Employer Return, you total the number of hours the Casual Workers have worked for the period in which you are reporting and divide this by 7.6 (number of hours in a standard working day based on a 38 hour week) or 8 (if based on working a 40 hour week). The result is the number of working days to be reported on the Employer Return.

You do not need to contribute on casual loading just the base hourly rate multiplied by the number of hours worked to get the Period Pay figure. Only whole days need to be reported so you may need to round the number up if over 0.5 or down if under 0.5. Please see following example;

Employee A has an hourly rate of \$23.00 minus the 25% casual loading is \$18.40, thus his Daily Rate is \$139.84.

Calculated as \$23 divided by 1.25 = \$18.40. \$18.40 x 7.6 = \$139.84

Employee A worked 144 hours for the Month.

Calculated as 144 ÷ 7.6 = 18.94 days therefore Paid Days rounded UP to 19.

Period Pay of 19 x \$139.84 = \$2,656.96

# Invoice Payment Options

There are several different options for you to pay your invoices as per below. To ensure you receive the subsidised rates please ensure all invoices are paid by the end of the month following the month in which the invoice was issued. Please note that this payment period does not apply to invoices that have been uprated due to late return lodgement or late invoice payment.

#### **BPAY**

This is our preferred option as your payment is automatically receipted to your account. To utilise BPAY you will find the Biller Code and Customer Reference Number on the TasBuild Employer Portal as well as your invoices.

#### EFT

If you are paying by EFT please ensure that your Employer Number is included in the Reference. This allows us to correctly allocate your payment. Bank details are on the TasBuild Employer Portal as well as your invoices.

#### **Direct Debit**

Remembering to make your TasBuild payment can become a thing of the past by signing up to have your payment direct debited from your account. To register your interest in this please send an email to secretary@tasbuild.com.au quoting your Employer Number and we will forward the relevant form for your completion.

The information contained in this Update is of a general nature and does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Construction Industry (Long Service) Act applies to you.