



# Long Service Leave Program

## Frequently Asked Questions

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## 1. Purpose

The purpose of this document is to address the frequently asked questions around long service leave and the Baptist Association of NSW & ACT Long Service Leave Program (the Program). This document should be read in conjunction with the *Long Service Leave Program Rules* document.

## 2. Definitions, acronyms and terminology

Administrator		The Administrator of the Baptist Association of NSW & ACT LSL Program which is administered by the Operations Team of the Association
the Association		Baptist Association of NSW and ACT
church		refers to: <ul style="list-style-type: none"> <li>• an affiliated church of the Association</li> <li>• a church proceeding to affiliation with the Association</li> <li>• a church plant of the Association</li> <li>• a church affiliated with any state Baptist Association in Australia</li> </ul>
minister		a person who is called by a church or organisation to carry out pastoral or other duties that directly relate to the practice, study, teaching or propagation of religious beliefs
FARC		Finance, Audit and Risk Committee a sub-committee of the Association's Assembly Council
FAQs		Frequently Asked Questions
LSL		Long Service Leave
LSL program account		the account held in the LSL Program for the member
member members organisation	or	refers to a member or the members of the Program  an organisation listed in section 5 below or one approved by the Administrator to participate in the Program
the Program		the Baptist Association of NSW & ACT Long Service Leave Program

### 3. FAQs

#### Question What is LSL and what is the Program?

Long Service Leave (LSL) is a period of paid leave granted to an employee who has served a specified period of continuous employment in one organisation. In NSW, this is 13 weeks for 15 years of service vesting at 10 years. In the ACT, the benefits are the same but the vesting period is 7 years. Due to the nature of pastoral ministry, which at times requires the pastor to move from one church/ or organisation to another, the minister will accrue a reduced entitlement to LSL as prior service is not taken into account under statutory rules. This means that entitlements may not vest where the period of service is under the minimum continuous period of service requirement.

The Program is a scheme whereby monies for LSL for eligible members are accumulated and held on behalf of the member for them to claim once the member meets the Program's vesting conditions. The payment of LSL remains an obligation of the church or organisation where the eligible member is employed at the time of taking the LSL. This Program facilitates the investment of funds to meet LSL claims for the duration of service by the member.

The purposes of the Program are to:

- assist eligible members to accumulate LSL which they may not normally become entitled to due to the nature of pastoral work, and
- assist and ease the administrative burden on churches and organisations by assisting with administration of LSL for eligible members.

This second purpose is achieved by:

- calculating regular contribution amounts
- facilitating the investment of those contributions
- making available fund balances to meet LSL payment, and
- providing general advice on long service leave requirements.

Notwithstanding the Program, the statutory liability for LSL always remains the sole responsibility of the organisation employing the member.

#### Example

Below is Pastor Joanne Bloggs', Senior Pastor's employment history:

Organisation	Employment duration
Affiliated Baptist Church A	5 years
Affiliated Baptist Church B	2 years
Affiliated Baptist Church C	3 years
<b>TOTAL</b>	<b>10 years</b>

Pastor Joanne Bloggs is eligible to take LSL under the Program by applying through Affiliated Baptist Church C. LSL payments form part of gross earnings and therefore must be processed through payroll systems of Affiliated Baptist Church C.

**Question** What are my church's / organisation's legal liabilities in relation to LSL?

An employer owes an employee 13 weeks of LSL for every 15 years of service at their current salary. This vests at 10 years in NSW and 7 years in ACT. This means that unless the employee has completed their 10 or 7 years of service in the one organisation, they are not eligible for LSL under state legislation.

**Example**

Based on the above example, Pastor Joanne Bloggs, the Senior Pastor of the Church is not eligible for LSL under state legislation at Affiliated Baptist Church A, B or C as she has not completed 10 years of service. However under the Program, she is entitled to the funds that have been accumulated in the account for the period. This may not equal 8.6 weeks of her current salary as she may have had a different salary at her previous Baptist Churches of employment.

**Example**

Below is Pastor Peter Piper's employment history:

Organisation	Employment duration	Annual Salary	Amount s contributed by church in LSL Program
Affiliated Baptist Church A	2 years	\$40,000 - \$50,000	\$1,200
Affiliated Baptist Church B	2 years	\$50,000-\$60,000	\$1,600
Affiliated Baptist Church C	10 years	\$60,000-\$70,000	\$9,000
<b>TOTAL</b>	<b>14 years</b>		

Under state legislation, Affiliated Baptist Church C owes Pastor Peter Piper 8.6 weeks of LSL based his current salary of \$70,000 being \$10,033<sup>1</sup>. The shortfall in contribution made by the Church of \$1,033<sup>2</sup> will need to be made up by the church. Some of this shortfall will be made up by funds earning income whilst held in investment in the Program. It is noted that the shortfall in contribution is caused by the Pastor's salary increasing over time, however the statutory liability is based on current salary which is higher. This shortfall will be reduced by investment income earned. If there is any remaining shortfall this will need to be made up by the church.

Pastor Peter Piper is eligible to take LSL under the Program by applying through Affiliated Baptist Church C. In addition to the \$10,033 amount above, Pastor Peter Piper can also apply for the amounts contributed by Affiliated Baptist Church A and B.

<sup>1</sup> \$10,333 = (\$70,000/52 weeks\*13/15\*10 years)

<sup>2</sup> \$1,033 = \$10,033 contribution owed - \$9,000 contribution made.

LSL payments form part of gross earnings and therefore must be processed through payroll systems.

**Question** A minister's church is not paying contributions into the Association's LSL Fund. A minister's previous church did not make contributions. Whose responsibility is it to follow this up?

Whilst the responsibility to make contributions is normally the church treasurer's responsibility, non-payments into a minister's LSL Fund should be followed up by the minister themselves with the church treasurer or leaders.

**Question** How do I find out how much has been accumulated into my LSL fund?

Please contact the Operations Team on (02) 9868 9200 or [finance@nswactbaptists.org.au](mailto:finance@nswactbaptists.org.au) who can confirm these details.

**Question** I am eligible and would like to join the Program? How do I do this?

Please fill out the Application form which can be found in Appendix A of the LSL Program Rules.

**Question** I am eligible to take LSL and would like to apply to take some. How do I do this?

You will need to apply for LSL through your church. Church officers will need to fill out the Application form which can be found in Appendix B of the LSL Program Rules. and you will need to sign the application as the member.

**Question** My salary has changed. Who should the church or organisation inform in relation to the Program?

Any changes to employment details should be emailed to the Administrator [finance@nswactbaptists.org.au](mailto:finance@nswactbaptists.org.au) with the subject heading *Changes to LSL details*. As outlined in the Program rules, invoices will not be generated retrospectively for previous periods or for missed contributions as a result of not informing the Administrator of changes in the member's position. Past contributions can be made by the church or organisation at any time.

**Question** The church treasurer is having trouble working out the minister's LSL entitlements as during their employment, they have been working full time and part time in different years.

There is a LSL calculator tool available for churches and organisations to use. This is available on our website at [www.nswactbaptists.org.au](http://www.nswactbaptists.org.au) . If you still need assistance, please contact the Operations Team on (02) 9868 9200 or [finance@nswactbaptists.org.au](mailto:finance@nswactbaptists.org.au)

**Question** Whose responsibility is it to pay LSL payments? How should this be processed?

Payment of LSL is the responsibility of the church or organisation employing the member. LSL payments form part of gross earnings and therefore must be processed through payroll systems. If LSL is paid as the Minister goes on LSL during their employment, this can be paid as an exempt benefit in line with the Remuneration Recommendations and attracts superannuation guarantee payments. However, if LSL is paid as a lump sum on termination of employment, the amount should be paid as a taxable amount and not as an exempt benefit. LSL paid out as a lump sum on termination does not attract superannuation guarantee payments.