

Long Service Leave changes

Fact Sheet, NOVEMBER 2018

The Victorian Parliament recently passed the Long Service Leave (LSL) Act 2018, which repealed the Long Service Victoria Act of 1992. The new Act will come into effect on or before November 2018.

In the new act there are a number of changes for employer's to be aware of:

- + Employees will now be able to take long service leave after **seven years** of service.
Previously long service leave started accruing at seven years and employees were entitled to have their LSL paid out on a pro rate basis if their employment ended, but employees could not take LSL until they reached 10 years of service. Employers will only be allowed to refuse LSL requests on reasonable business grounds.
- + Up to 12 months of unpaid parental leave **will now count as service** and unpaid parental leave of greater than 12 months **will not break** continuity of service. In the past unpaid parental leave did not count as continuous service and parental leave over 12 months broke continuity of service.
- + There are changes to the calculation of ordinary hours and ordinary pay where employees' hours or rates of pay have changed over the course of their employment. Employers must now perform 3 calculations:

- + Average weekly earnings over 52 weeks
- + Average weekly earnings over 260 weeks
- + Average weekly earnings over the entire period of employment

The calculator to use will be the one most beneficial to the employee. Previously there were only two possible calculations. These new calculations are more generous toward the employee's.

Employees will be able to request to take long service leave in **blocks of a single day** (much like annual leave). Previously employees could only take it in one period or two or three block periods by agreement.

All the above changes are aiming to increase flexibility for employee's and to introduce greater protection to ensure continuity of service is not broken.

Going forward Employers should seek advice in regard to the changes and any relevant policies they have in place in order to ensure that long service leave entitlements are correctly calculated and requests for long service leave are appropriately responded to.