



**uniting  
church**  
in Australia,  
Synod of NSW & ACT

## Employee 'Leave Purchasing' Guidelines

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## 1. Introduction

The Employee Leave Purchasing Scheme (LPS) is available to all permanent employees of Uniting Resources, including Uniting Financial Services and the Secretariat, and Uniting Mission and Education in the Synod of NSW and the ACT. This scheme is being introduced for an initial 12-month trial period for FY 2018-2019. At the end of this period the ongoing viability of the scheme will be reviewed.

This scheme requires a 12-month participation period and allows staff to purchase an extra 1 or 2 weeks' leave per year. Managers will review each case on an individual basis and discuss with HR before approvals can be granted.

When purchasing leave, an employee is salary sacrificing one or two weeks' pre-tax wages over the 12-month period so that they can continue to be paid whilst absent on purchased leave.

Purchased leave is non-accumulative and must be utilised during the financial year it is purchased in.

## 2. Eligibility

To be eligible for Leave Purchasing an employee must, on the date of application:

- a) Be a permanent employee; and
- b) Have completed six months' service with their employer; and
- c) Have an Annual Leave balance of less than 20 days;

## 3. Accessing the scheme

An employee can apply to join the LPS only one time each year, to impact from the first full pay period in July.

The employee's manager and the HR team will ensure careful consideration be given regarding operational requirements and the employee having met the eligibility criteria. All requests will be dealt with in a reasonable and timely manner on the basis of fairness and equity.

Operational consideration may include:

- The availability of suitable leave cover if required;
- The cost implications;
- The impact on stakeholder/client requirements;
- The impact on the workload of other employees.

## 4. Commencement of the Scheme

Subject to approval of an employee's application by their Line Manager and Human Resources, LPS participation will commence from the first full pay period of July each year. The commencement date cannot be backdated.

## 5. How the Scheme Operates

- Purchased Leave will be granted upfront from the first full pay period in July.
- Purchased Leave must be accessed in minimum periods of one week.
- When an employee's ordinary working hours are changed during the year, the amount paid at the time of taking the Purchased Leave Scheme and the amount paid for residual leave will be adjusted to take into account any variations.
- Purchased Leave does not roll-over and must be used within 12 months of granting.

- At the end of the 12-month period, any unused Purchased Leave will be paid out to the employee in the last payroll of the 12-month period. The lump sum payout will be taxed accordingly.

## 6. Withdrawal from the Arrangement

Due to the nature of the salary deductions, withdrawal from this agreement is not possible during the purchase leave year. The LPS Should only be entered into if an employee can honour the scheme for 12 months.

If early withdrawal from the program becomes necessary, participation will cease at the end of the next practicable pay period and the employee will revert to normal salary at the beginning of the next pay period. The Purchased Leave that has been funded will be paid out in one lump sum as soon as possible, and will be taxed accordingly.

## 7. Termination of Employment

If an employee terminates for any reason they will automatically be withdrawn from the LPS. The total value of the self-funded leave reduction will be calculated and that portion not already taken as leave will be repaid to the employee in their final pay and taxed accordingly.

Where an employee terminates but has already taken a portion of their leave grant, the value of this leave will be deducted from the final termination monies owing.

## Frequently Asked Questions

### *Q. Is there any way I can purchase more leave?*

Not at this stage. To meet operational requirements of the organisation, we are not currently able to offer more than 6 weeks' projected annual leave absence per employee.

### *Q. How does leave Purchasing work at UCA?*

The Leave Purchasing Scheme (LPS) is designed to provide the flexibility for employees to fund an additional period of up to two weeks' additional leave per year.

As with all leave, approval from the appropriate manager is required. To be fully beneficial, employees must enter the scheme for a 12-month period.

### *Q. Does the 12-month period for purchased leave have to be a calendar or financial year?*

The period commences in the first full pay period of July each year.

### *Q. How do I apply to join the Leave Purchasing Scheme?*

To join the LPS:

1. Ensure that you meet the eligibility criteria and consider your intended leave plan;
2. Discuss your intended leave plans with your manager;
3. Complete an application form and submit to your manager for review/approval before the first full pay period in July. Retrospective applications cannot be accommodated.
4. Your manager will review your application and determine whether it meets operational and individual needs as outlined in the Leave Purchasing Scheme Guidelines.
5. Your manager will then forward the request to the HR team who will confirm eligibility.
6. To access your purchased leave, you will need to submit a leave request via Payroll.

### *Q. Can my supervisor refuse my request for purchased leave?*

Yes. When considering your request, your manager will consider whether your request meets the individual and operational criteria. Requests will not be reasonably refused but must work effectively for both parties.

### *Q. Why can't I backdate my purchased leave agreement?*

This is not a retrospective process. In order for this to be an effective salary sacrifice arrangement under prevailing taxation legislation the employee must elect to sacrifice from future earnings only.

### *Q. What should I know before applying to participate in the Leave Purchasing Scheme?*

Before applying, you are encouraged to seek independent advice about the potential impact on:

- your personal financial situation;
- your personal taxation arrangements; and
- your superannuation arrangements.

UR cannot provide you with advice in regards to your personal financial situation.

Further, check your current leave accruals to ensure you meet the individual criteria to be eligible to enter the scheme. You can access your leave balances through Payroll.

### *Q. Do I need to use all my available annual leave before taking the purchased leave?*

Not necessarily. Your purchased leave must be taken within the 12 months it is accrued.

To meet individual eligibility requirements, you must have less than 20 days' annual leave before applying to participate in the Leave purchasing schedule.

This means, if you purchase 2 additional weeks annual leave one year and only use 2 weeks of leave in that same year, you will not be eligible to participate in the purchased leave scheme the following year as your annual leave accrual will be over 20 days.

### *Q. How will my salary be affected if my application to participate in the purchased leave scheme is approved?*

Your salary will be reduced by a percentage based on the one or two weeks purchased. Your taxation and superannuation will also reduce.

*Q. What happens in the event that my salary increases during the purchased leave arrangement?*

Your salary will continue to be reduced by the appropriate percentage until the 12-month participation period ends.

*Q. Can I take the purchased leave in portions, rather than all at once?*

The purchased leave must be taken in blocks of minimum periods of one (1) week.

*Q. How will purchased leave affect the accrual of other entitlements?*

Purchased leave does not affect the accrual of any other leave entitlements. However, if you take any other leave entitlement during the 12-month participation period, it will be paid to you at your reduced salary.

*Q. Can purchased leave end before the 12-month participation period is completed?*

Yes. This should only occur in circumstance where you resign, there is an involuntary termination or agreement has been made between you and your manager. Any early cancellations must be made in writing and submitted to your manager.

Payroll will calculate whether you are entitled to a reimbursement or need to make a repayment for the overdrawn purchased leave (i.e. you have taken all your purchased leave but not completed the 12-month participation period).

*Q. What happens in the event I do not use the purchased leave within the 12-month participation period?*

Any portion of Purchased Leave not utilised within the twelve (12) months will be paid out by in the last payroll of the 12-month period at the employee's current rate of pay. The lump sum payout will be taxed accordingly.

*Q. Can I renew my participation in the purchased leave scheme once it has expired?*

If you would like to access purchased leave for a further 12-month period, you need to submit a new application following discussions with your manager and submit it before the first full pay period of July. Please note that this scheme is being introduced for an initial 12-month trial period for FY 2018-2019. At the end of this period the ongoing viability of the scheme will be reviewed.