



The following is provided for your information and action.

Please ensure this Bulletin is forwarded to the relevant employees within your Agency.

Should you have any questions or feedback, please contact the appropriate contact person listed.

## Service Delivery Bulletin

June 2013

Issue Number

### New Public Sector Skills and Experience Retention Leave Entitlement

# 65

#### Payroll Services

The purpose of this Service Delivery Bulletin is to provide an update on the implementation of the new Public Sector Skills and Experience Retention Entitlement (Retention Leave). It contains important information regarding:

- How to access Commissioner's Determination 3.1 (Leave) and the Retention Leave Explanatory Sheet
- Information relating to the optional conversion of the Retention Leave Entitlement to a monetary amount, including:
  - How an eligible employee may elect to convert their entitlement to a monetary amount
  - The Election to Convert to a Monetary Amount Form
  - The timeframe governing when eligible employees may apply to convert their entitlement to a monetary amount
  - The taxation treatment associated with the payment
- The new Shared Service SA Retention Leave webpage
- How Shared Services SA will manage historical entitlements for employees who have transferred between Departments or terminated.

#### Commissioner's Determination 3.1 (Leave)

The new Commissioner's Determination 3.1 (operative from 1 June 2013), may be accessed from the Office of Public Employment and Review website [www.oper.sa.gov.au](http://www.oper.sa.gov.au) – refer Publications section.

Eligible employees will be able to access their entitlements to Retention Leave on and from 1 July 2013.

Retention Leave details are provided in Attachment D of the new Determination 3.1, together with an



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Explanatory Sheet that is available on the PSWR website [www.pswr.sa.gov.au](http://www.pswr.sa.gov.au).

### Retention Leave Webpage

Shared Services SA has established a Retention Leave webpage which contains useful links and relevant information, including a list of comprehensive Frequently Asked Questions.  
(<http://www.sharedservices.sa.gov.au/service-delivery/retleave.html>).

### Applying for Retention Leave

Eligible employees will only be able to apply for and take retention leave on or after 1 July 2013 and must use the appropriate Agency leave form, which accommodates Retention Leave.

### Converting an Entitlement to a Monetary Amount

During each financial year, an eligible employee will accrue an amount of Retention Leave for each month of effective service completed during that financial year.

Between 1 July and 31 August each year an employee may elect to convert to a monetary amount, the Retention Leave accrued in the previous financial year. The Retention Leave entitlement accrued within a financial year must, if not converted into a monetary amount, be taken within five years of the accrual.

If an employee elects to receive a payment instead of taking the leave, they must complete and submit the appropriate Election to Convert Entitlement to a Monetary Amount form to Shared Services SA Payroll Services **by no later than 31 August** following the financial year in which the entitlement accrued.

The standard Election to Convert Entitlement to a Monetary Amount form is available on the Shared Services SA website. (<http://www.sharedservices.sa.gov.au/service-delivery/docs/retleave/PS-Skills-and-Exp-Retention-form.pdf>)

The monetary payment amount is fixed by Regulation and will be indexed by CPI each year. The current monetary amount for each working day is \$180 (adjusted annually). If the balance includes a portion of a whole working day, the payment will include a proportionate amount for that period.

A flat withholding **tax rate of 38.5%** will be applied to payments made to an employee nominating to convert the Retention Leave to a monetary amount.

Where an employee has taken a portion of the entitlement accrued during the previous financial year, they may convert the balance to a monetary amount.

The election to convert the Retention Leave to a monetary amount must be made for the **entire balance** accrued during the previous financial year, even where that entitlement is not equivalent to one whole working day.

An employee with Retention Leave accrued from any earlier financial year is not able to elect to convert that earlier accrued leave to a monetary amount. An exception to the above applies to leave accrued during 2011-12 financial year. Leave accrued during both the 2011-12 and 2012-13 financial years may be converted to a monetary amount between 1 July and 31 August 2013.

### Timeframes for Processing Monetary Amount

Employees may only elect to convert Retention Leave to a monetary amount after 1 July each year and any application must be made prior to 31 August each year. To allow for delays in submission, Shared Services SA Payroll Services will accept the Election to Convert Entitlement to a Monetary Amount forms up to five business days after each 31 August.

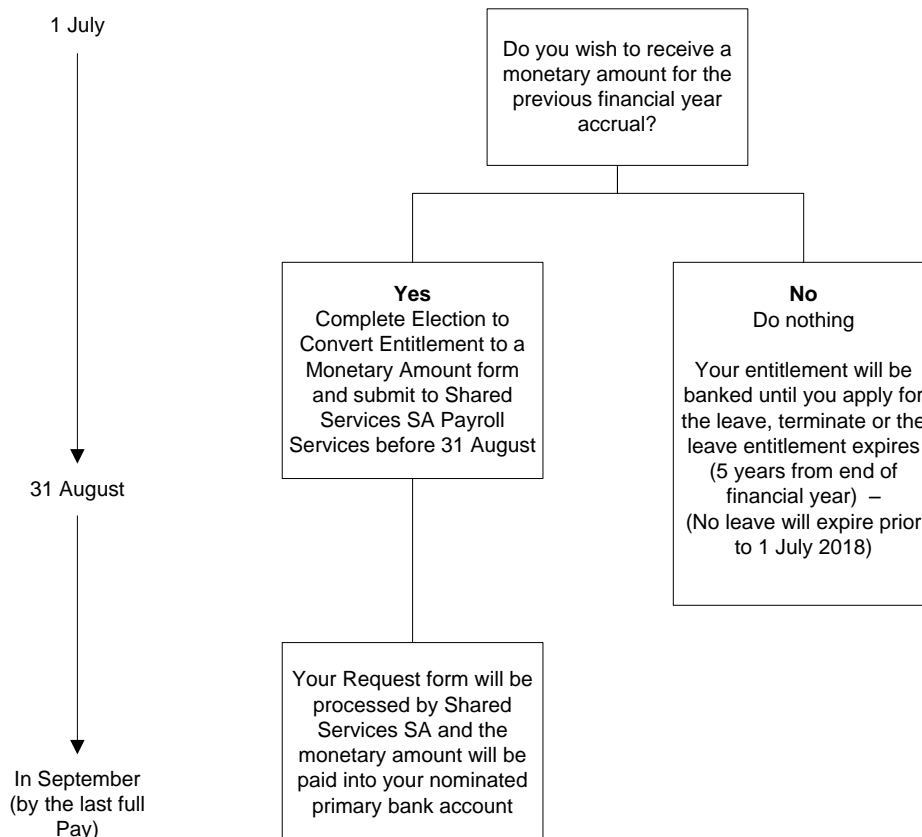
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These requests will be processed by Shared Services SA Payroll Services to an employee's nominated primary bank account in September of that relevant year (by the last full pay in September).

Any forms received outside the designated period will not be actioned.

### Converting Retention Leave Entitlement to a Monetary Amount



### Transfers

An eligible employee who has completed 15 years of service and has transferred within the Public Sector between the period 1 July 2011 and 30 June 2013 may not be automatically recognised for their Retention Leave entitlement balance from the originating Agency, in which case Shared Services SA will review and recognise the retention entitlements balances for those employees. Shared Services SA anticipates that these balances will be adjusted by 14 August 2013.

### Separated Employees

An eligible employee who separated from the South Australian Public Sector after 1 July 2012 and before 30 June 2013 may be entitled to receive a pro-rata amount of Retention Leave that they would have accrued since 1 July 2011.

Shared Services SA will review these employees' entitlements and process any arrears payments. Shared Services SA anticipates that these payments will be processed by 31 October 2013.



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## **Enquiries**

Employees with questions about the new Commissioner's Determination (3.1) and Retention Leave Explanatory Sheet, should contact their Human Resources Department in the first instance.

From 1 July 2013 general enquiries regarding Retention Leave can be directed to the relevant Payroll teams.

Any questions regarding completion of the Nomination form can be sent to [retl@sharedservices.sa.gov.au](mailto:retl@sharedservices.sa.gov.au).

## **Action Required**

HR Directors and Managers

- Please advise relevant staff within your Agency accordingly
- Contact: Rosetta Crugnale, Project Manager, Shared Services SA, via email on [rosetta.crugnale@sharedservices.sa.gov.au](mailto:rosetta.crugnale@sharedservices.sa.gov.au).

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*Authorised by Anthony Mackay, Director Payroll Services, Shared Services SA*