



INFORMATION SHEET

Workplace Services

NSW – Long Service Leave in the Building and Construction Industry

Information for employers

The building and construction industry provides a portable long service leave scheme for workers.

The scheme is administered by the Long Service Leave Payments Corporation. It covers both employed and self-employed workers who perform building and construction work in NSW.

What do employers need to know?

It is a requirement under the Act for all employers of workers who perform building and construction work within NSW to register with the Corporation as an employer and to notify the Corporation of a worker's commencement, service, and cessation of employment.

Within 7 days of a worker starting, employers need to complete and lodge a *Start Notice* for all workers covered by the legislation (whether they are already registered or not – if not already registered, the Corporation will register the worker). Workers covered by the legislation are those that perform building and construction work on or offsite. This includes workers who directly supervise building and construction work¹. The scheme does **not** cover workers who perform office/ administrative tasks such as estimators, architects, designers and engineers.

Employers do not pay direct contributions for their employees and there is no cost to workers or employers to join the scheme. An employer must be a member to begin recording service.

The scheme is financed by a 0.35% levy payable on building and construction works in NSW valued over \$25,000, usually when plans are approved by local councils and before the commencement of construction work. The monies collected are paid into a dedicated Long Service Payments Fund.

What entitlements do workers get?

After 10 years' recorded service workers on wages are entitled to a payment equivalent to 8.66 weeks pay at the applicable award rate of pay or, where a certified enterprise agreement or an Australian

¹ For an employee to fall within the Scheme they need to be either doing work or directly supervising work that has its minimum rate of pay fixed under one of the following modern awards:

- Asphalt Industry Award 2010 [MA000054].
- Building and Construction General On-site Award 2010 [MA000020].
- Electrical, Electronic and Communications Contracting Award 2010 [MA000025].
- Joinery and Building Trades Award 2010 [MA000029].
- Mobile Crane Hiring Award 2010 [MA000032].
- Plumbing and Fire Sprinklers Award 2010 [MA000036].
- Manufacturing and Associated Industries and Occupations Award 2010 [MA000010] (but only to the extent which it relates to performance of work as a carpet layer).

Workplace Agreement is in force, at the worker's rate of pay under that agreement. Self employed workers are entitled to 8.66 weeks pay at the award rate applicable to their trade.

Pro rata leave entitlements

In certain circumstances employees may be entitled to a pro rata leave (calculated on the basis of 2 months for 10 years service) after completing at least 5 years service. Such leave may be payable where employment is terminated for any reason other than the worker's serious and wilful misconduct. It may also be payable where employment is terminated by the worker on account of illness, incapacity, domestic or other pressing necessity, or by reason of the death of the worker.

How to join

To register as an employer you must complete a registration form, which can be obtained by calling 13 14 41 or on the Corporation's website www.lspc.nsw.gov.au. The *Start Notice* for new employees can also be filled in online or lodged in paper form.

What happens after you notify the Corporation of a new employee starting?

The Corporation will register an employee if they are not already registered and will send the employee a card showing their registration number which will remain the same even if they change employers. Therefore some employees may already have a registration number.

Each year the employer will be required to complete an *Employer Return*. This is sent out to employers each July and is a list of each worker recorded as being employed by the employer. This needs to be verified and returned to the Corporation. Where an employee is not listed, or is listed but is no longer employed, opportunity exists to either submit a *Start Notice* (if had not previously done so when employee commenced) or indicate the date of termination (where no longer employed).

There is an obligation to notify the Corporation via an *End Notice* of an employee's termination.

The Corporation will send the workers an annual statement of recorded service.

For more information about how the scheme operates for self-employed contractors, see information sheet: *NSW - Portable Long Service Leave – Self-employed worker eligibility*

For more information call your Workplace Advisor on 1300 650 620