

Ministers' Long Service Leave Fund (LSLF) Policy

1. Preamble

- 1.1. The establishment of a centralised fund for the accumulation of Long Service Leave entitlements was for the purpose of providing a mechanism for continuity of service for Baptist pastors as they move from church to church.
- 1.2. The Ministers' Long Service Leave Fund (LSLF) commenced operation on 1 January 1980 and superseded all similar funds in existence prior to that date.
- 1.3. The LSLF exists to provide a mechanism by which the Baptist Churches of SA Inc. and its member churches can accumulate funds which will be available to assist in the payment of the liability for Long Service Leave of pastors and employees when it falls due.
- 1.4. **The liability for Long Service Leave and compliance with the Long Service Leave Act (SA) 1987 is the sole responsibility of the employer, being a member church or Baptist Churches of SA Inc.**

2. Definitions

The Act: the Long Service Leave Act (SA) 1987 as amended

BCSA: Baptist Churches of South Australia Inc.

Church(s): A church which is a member of BCSA

Employee: for the purpose of this policy an 'employee' shall be any person on the staff of BCSA or a church for whom BCSA or a Church contribute to the fund

Employer: for the purpose of this policy an 'employer' shall be either BCSA or a Church

Fund: the BCSA Ministers' Long Service Leave Fund (LSLF)

LSL: Long Service Leave

3. Application of the Long Service Leave Act

- 3.1. Except as otherwise specifically provided for in this policy, the principles and practices of the Act shall be adopted as the principles and practices of the Fund.

4. Management of the Fund

- 4.1. The Fund shall be managed by BCSA.
- 4.2. The Fund manager shall ensure the payment of all complying claims.
- 4.3. The Fund manager shall maintain records of income and payments made, and include the Fund in its annual financial reporting.
- 4.4. The Fund manager may charge a reasonable annual management fee to the Fund as determined from time to time by the Assembly Board.
- 4.5. The Fund manager shall ensure an appropriate return on balance of the Fund at an interest rate determined from time to time by the Assembly Board.
- 4.6. All investments of the Fund monies shall be in accordance with the Asset Management Policy of BCSA.

5. Eligibility

- 5.1. Contributions to the fund may only be made by BCSA and Churches.
- 5.2. Persons for whom contributions may be made and benefits received shall be:
 - 5.2.1. Those in a recognised pastoral ministry role within a Church.
 - 5.2.2. Those engaged as an appointee or staff of BCSA
 - 5.2.3. Those employed to staff positions in Churches and approved by the Fund manager.
- 5.3. Persons engaged in a part-time capacity in any of the above categories are not precluded from the Fund provided that appropriate pro-rata contributions are made.

6. Period of Leave

- 6.1. The amount of LSL entitlement shall be calculated in accordance with the Act. Currently this is stipulated as:
 - 6.1.1. 13 weeks leave in respect of the first 10 years of service; and
 - 6.1.2. 1.3 weeks leave in respect of each subsequent year of service.
- 6.2. The amount of LSL due to those engaged on a part-time basis shall be in accordance with the proportional contributions made.

7. When Taken

- 7.1. LSL of 13 weeks shall become due after the completion of 10 years of service.
- 7.2. In the case of cessation of employment, or retirement, after seven years service a person is entitled to a payment equivalent to 1.3 weeks leave for each completed year of service.

8. Contributions to the Fund

- 8.1. Contributions for an employee shall be made on the basis of 85% of the gross package (inclusive of travel allowance and superannuation guarantee contribution) paid by the employer, at the rate of 1.3 weeks per annum.
- 8.2. Invoices shall be issued annually once completed Minister's LSL Levy Forms have been received by the fund manager
- 8.3. The billing period shall be 12 months in arrears and payment will be due promptly upon receipt of invoices but no later than 30th June each year
- 8.4. Part-time contributions shall be made on a proportional basis in relation to the hours for which remuneration is made

9. Payments from the Fund

- 9.1. Payments from the Fund may not fully cover a particular LSL liability. It is the employer's responsibility to ensure the full liability is covered.
- 9.2. Upon application, funds will be returned, by the Fund manager, to the employer, to assist them in meeting the liability of LSL payments as and when they fall due
- 9.3. Application for payment from the Fund shall be made in writing to the Fund manager by the employer, not less than one month prior to the need for payment
- 9.4. Payment shall be calculated at the stipend or pay rate applicable at the time the leave is taken and in accordance with the levy received
 - 9.4.1. Where an employee's ordinary weekly pay has varied due to a change from full-time to part-time the payment shall be calculated in accordance with levy received and therefore may be higher than the calculation stipulated by

the Act. In such a case the employer shall be encouraged to pass on the full payment to the employee.

- 9.4.2. Where an employee's ordinary weekly pay has varied due to a change from part-time to full-time the payment shall be calculated in accordance with levy received and therefore may be less than the calculation stipulated by the Act. In such a case the employer must supplement the payment to ensure full LSL entitlement for the employee.
- 9.4.3. Similarly where an employee's ordinary weekly pay has varied due to steps up or down on the recommended stipends levels the payments from the Fund may differ from the entitlement calculated under the Act. In such cases clauses 8.4.1 and 8.4.2, as applicable, shall apply.
- 9.5. Where appropriate, superannuation shall be included in payments in accordance with ATO requirements
- 9.6. Where the employer makes a contribution for an employee and that employee does not become eligible for an entitlement under this Policy, the amount of the contribution standing to the credit of that employee at the time they became ineligible, will be returned to the Fund.
- 9.7. No payment or reimbursement from the Fund shall be made by the Fund manager to employers other than those specified herein.

10. Ill Health

- 10.1. For reasons of ill health, an employee may, at the absolute discretion of the Fund manager, be granted leave on a proportionate basis prior to the completion of ten years service, but after completion of five years service.
- 10.2. Employees who retire for reasons of ill health before the age of sixty-five shall be given proportional payment in lieu of LSL provided they have served not less than 5 continuous years in South Australia.

11. Death

- 11.1. In the event of the death of an employee during service, any LSL entitlement shall be paid to the appropriate representative of their estate.

12. Continuity of Service

- 12.1. In addition to the requirements of the Act, service shall be deemed to be unbroken in the following circumstances:
 - 12.1.1. Unpaid leave of absence approved by the employer, up to a maximum of 12 months
 - 12.1.2. Time lost, not exceeding 6 months, when an employee is moving from one eligible situation to another
 - 12.1.3. Any other reason approved by the Fund manager

13. Procedure

- 13.1. The Fund manager may provide employers 12 months prior notice of when employees nominated in the Fund become eligible for LSL so that appropriate arrangements can be made with the employer for the leave
- 13.2. The employer shall thereafter notify the Fund manager when the LSL is to be taken and be responsible for all necessary arrangements while the employee is on leave

14. Reciprocity

14.1. The Fund manager may enter into reciprocal arrangements with any church associated with any state body that is a member of the Baptist Union of Australia to enable an eligible person to be granted leave after ten years service with Baptist churches in any part of the Commonwealth of Australia

15. Employment During Long Service Leave

15.1. It is noted that the Act stipulates that it is an offence to engage in any other employment in place of the employment in relation to which the right to LSL has accrued

16. Review of Policy

16.1. The Fund manager may, at any time, request a review of this policy, notably the 85% contribution benchmark and the nominated return on investments, should the demands of the Fund require it.

17. Alteration of Policy

17.1. No alteration or addition to this policy shall be made, except by the Assembly Board of BCSA.