



# Members Update

Dear member,

Welcome to the August 2019 member's update.

This month we look at the introduction of the VIC LSL portable long service leave scheme for the social services, security and contract cleaning sectors. We will also address a few recurring questions that come through to our helpdesk.

## What is Portable Long Service Leave?

Australia's portable long service leave is a scheme for specific industries which allows workers to transfer their accrued long service leave entitlements from employer to employer. Unlike the "normal" long service leave Acts which require an employee to have continuous service with one employer in order to access their LSL entitlements, employees covered under the State and Territory portable long service schemes can work for a number of employers and their service with each employer will count towards continuous service.

## Which sectors/industries does portable LSL apply to?

<b>ACT</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>
Construction Contract Cleaning Community Services Security	Construction Contract Cleaning	Construction Contract Cleaning Community Services Security	Construction Contract Cleaning
<b>SA</b>	<b>TAS</b>	<b>NT</b>	<b>WA</b>
Construction	Construction	Construction	Construction

## Employees covered by portable LSL:

Whilst employees may work in one of the above industries, this does not automatically place them under the portable LSL umbrella. An employee must actually be employed in that particular sector – for example, an accounts payable officer in the Construction industry would not be covered by the portable LSL but a tradesman/builder would be. Similarly, a payroll officer working for a social and community services provider would not be covered by portable LSL but the support/welfare officer would be.

# Victoria's portable LSL authority for workers in community services, contract cleaning and security sectors – effective 1 July 2019

## What employers need to do?

1. Register with the Portable Long Service Leave Authority between 1 July and 30 September 2019 (for existing business) and within 3 months for new business  
<https://portal.plsa.vic.gov.au/Public/CompanyRegister>
2. Lodge your quarterly return - this will be done via the online portal and the returns are due in October, January, April, and July. The quarterly return will include information about:
  - all workers who have worked for the business during that quarter
  - the days they have worked
  - the ordinary pay they received during the quarter
  - any long service leave they have taken under another arrangement
  - details of any worker terminated during the quarter
3. The first quarterly return, to be submitted in October 2019, will require businesses to register all workers for the first time. For business joining the scheme at a later date, they will register workers as part of their first quarterly return.
4. Pay the levy - when a quarterly return is lodged, an invoice will be issued to the business to pay the levy. The rates are as follows:
  - 1.65% for community services
  - 1.80% for contract cleaning
  - 1.80% for security

Further information is available at

<https://www.vic.gov.au/employer-information-portable-long-service>



## Recurring helpdesk queries

### 1. If an employee commences partway through a pay cycle, what is the PAYG withholding on their first pay?

When taxing new starters and leavers who are being paid less than a full pay period, you still use the tax table applicable to their usual pay period. Eg, if someone commences part way through a fortnight, you would tax them based on the fortnightly tax table. You may wish to work out the relevant tax to be withheld based on the weekly tax table however there is no requirement to do so and whilst we understand that the employee may be “undertaxed”, the ATO only require you to tax the payment over the fortnight. The same concept applies if the worker terminates partway through a pay cycle.

### 2. How do we amend an employee’s income statement once we have submitted a finalisation declaration through STP?

If you need to amend details after making a finalisation declaration you should submit these as soon as possible via an update event.

You can amend finalised information reported through STP up to five years after the end of financial year on the basis that you have reported via STP in these previous years. If you wish to amend data for a previous year where you issued payment summaries to your workers and lodged an annual return/empdupde file with the ATO, you will need to issue an amended payment summary to the worker and lodge an amended annual return/empdupde file with the ATO.

### 3. Have the age based limits for redundancy payments increased from 65 years of age?

Whilst there has been talk about increasing the age based limit for redundancy purposes as per clause 34 of TR 2009/2, this has not been legislated and as such, remains at 65.

**WEBINAR:** With all the latest underpayments scandals, join me as I explain the **Withholding and Reporting Requirements for Backpays**. 21st August @ 1pm. [Register Here](#).