

Human Resources Policy

Purchased Leave

Policy Number: C21 (QH-POL-203)

Publication date: June 2020

Purpose: To outline the arrangements for purchased leave in Queensland Health.

Application: This policy applies to Queensland Health employees.

This policy does not apply to:

- casual and short-term temporary employees, i.e. temporary employees engaged on a contract of less than 12 months
- employees of Queensland Ambulance (QAS). Instead, QAS employees are to refer to their local policy/procedure.

Delegation: The 'delegate' is as listed in the relevant Department of Health Human Resource (HR) Delegations Manual or Hospital and Health Services Human Resource (HR) Delegations Manual, as amended from time to time.

Legislative or other authority:

- *Human Rights Act 2019*
- Queensland Public Health Sector Certified Agreement (No. 9) 2016 (EB9)
- PSC (IR) Directive 05/17: Special Leave
- PSC (IR) Directive 15/18: Leave without Salary Credited as Service

Related policy or documents:

- [Implementing purchased leave arrangements: A guide for Queensland Government Departments and Agencies](#)
- Purchased leave agreement application PARIS Form

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1 Policy statement

Purchased leave (previously extra leave for proportionate salary) is an option to assist employees with family responsibilities, study commitments or work life balance whereby an employee can purchase an agreed net dollar amount of leave. Employees are able to access between one and six weeks special leave without pay per annum in a minimum one week block, in addition to paid annual/recreation leave and other accrued entitlements. The absence for this leave is treated as leave without pay but is paid at the net rate.

The employee enters into an agreement to have an amount deducted from their net pay for the agreement period of 12 months, which is held by the employer, to be paid back to the employee when the related leave is taken.

The application process is outlined in Attachment One.

1.1 Eligibility

If accessing purchased leave, the leave is applicable to your current role. Alternatively, an employee may negotiate a temporary transfer into another role for the duration of the agreement, as the operational requirements for some roles can more effectively accommodate purchased leave arrangements.

1.2 Approval for purchased leave

Each request for purchased leave is to relate to a specified 12 month cycle. The cycle may vary between employees and is to commence at the beginning of quarterly periods, i.e. 1 January, 1 April, 1 July or 1 October.

Access to an additional period of purchased leave may be negotiated prior to the conclusion of the current annual cycle.

Employees automatically revert to their normal employment and salary at the end of the annual cycle, unless approval is obtained for the continuation of the purchased leave arrangement for a further 12 month period.

1.3 Notice of intention to access purchased leave

Employees are encouraged to provide as much notice as possible of their intention to access purchased leave. Notice may be given between one and three months prior to the cycle commencement period.

1.4 Written agreements

An employee is required to enter into a written agreement prior to commencing work under the purchased leave arrangements.

There may be extraordinary circumstances when the manager and employee vary the arrangements in the purchased leave agreement. Any amendments are to be clearly stated in a new agreement.

The employee is to retain a copy of the written agreement.

History:

June 2020	<ul style="list-style-type: none"> • Policy application amended as a result of changes to the Hospital and Health Boards (Changes to Prescribed Services) Amendment Regulation 2019.
December 2019	<ul style="list-style-type: none"> • Policy amended to update references and naming conventions.
August 2019	<ul style="list-style-type: none"> • Policy: <ul style="list-style-type: none"> – formatted as part of the HR Policy review – amended to update references and naming conventions – amended to update calculation examples in Attachment One – not applicable to employees of Queensland Ambulance Service.
April 2014	<ul style="list-style-type: none"> • Policy formatted as part of the HR Policy Simplification project • Policy amended to update references and naming conventions.
December 2009	<ul style="list-style-type: none"> • Amended to reflect updated Directive 18/09 – Special Leave effective 30 November 2009.
September 2009	<ul style="list-style-type: none"> • Amended to clarify the minimum period that is to be taken for purchased leave in sections 7.1 and 8.3.
May 2009	<ul style="list-style-type: none"> • Amended for application prior to new HR solution.
August 2008	<ul style="list-style-type: none"> • Developed as a result of the HR policy consolidation project.
October 2006	<ul style="list-style-type: none"> • IRM 11.1-4 (clause 9.7 of the Queensland Public Health Sector Certified Agreement (No. 6) 2005) amended.
Previous	<ul style="list-style-type: none"> • IRM 11.1-4 Leave – General – Extra Leave for Proportionate Salary.

Attachment One – Application process

The following information is provided as the minimum mandatory standard practice, procedure or process to enable satisfactory compliance with this Queensland Health HR policy.

Local guidelines/procedures may be developed to facilitate implementation of this policy. Any local guidelines/procedures must be consistent with this policy and standard practice and ensure employee entitlements continue to be met.

1 Application for purchased leave

An employee applying for purchased leave is to:

- submit a completed Purchased leave agreement application form (PARIS form) to their manager
- ensure they provide as much notice as possible e.g. between one and three months prior to the cycle commencement period.

The manager is to consider the following:

- the effect on operational efficiency and client service in the work unit
- arrangements for re-allocation of work
- the use of annual/recreation or long service leave (at either full or half pay), part-time work or other options in conjunction with, or as an alternative to, purchased leave
- arrangements for the return to normal working pattern/functions/roles
- ensure the employee understands the effect on conditions of service
- the application of fairness, equity and sensitivity to decision-making
- liaise with Payroll Services to determine the fortnightly deduction period.

The manager is to forward a recommendation to the delegate for approval. The employee receives advice of the outcome of the application. If approved, it is to contain the leave dates, the annual cycle commencement date and the amount of the fortnightly deduction.

2 Application to vary the purchased leave

It is expected that leave will be taken on the dates proposed in the approved application. Variations are only to be considered in exceptional circumstances, and on a case-by-case basis.

Variations of the approved application are to be managed as follows:

- The employee is to write to the delegate providing reasons supporting the variation.
- The employee is to re-submit an application for purchased leave, clearly marked as an amended application.
- The manager's recommendation on the application is to be forwarded to the delegate.

The employee is to discuss the need for amendments with their manager when it becomes apparent there is a need to vary the dates of the leave. The manager is to respond in a timely manner to the variations application.

3 Taking purchased leave

Leave is not to be taken prior to the commencement of the annual cycle, however the annual cycle can commence prior to the taking of leave.

Purchased leave may be taken over one or more periods in the agreed 12 month cycle. A minimum of one week purchased leave is to be taken each time purchased leave is accessed, and may be taken in conjunction with other forms of leave, including long service leave or annual/recreation leave.

4 Leave accrual

Annual/recreation, sick and long service leave accrue in accordance with the employee's relevant award.

Unpaid leave (including purchased leave) in excess of nine continuous working days is not recognised for the purposes of normal sick leave and long service leave accrual. Unpaid leave in excess of three continuous months is not recognised for the purposes of annual/recreation leave accrual. Refer PSC Directive 15/18: Leave without Salary Credited as Service.

Example

An employee who takes four continuous weeks of purchased leave does not accrue sick leave or long service leave for the entire four week period, as it exceeds nine continuous working days. However, annual/recreation leave will accrue for the period.

5 Salary increments

Any continuous period of purchased leave exceeding one month is not included in the increment calculation. Refer PSC Directive 15/18: Leave without Salary Credited as Service and relevant Award provisions.

6 Public holidays

Payment is not made for public holidays when the purchased leave taken occurs both before and after a public holiday.

7 Superannuation

Purchased leave may impact on superannuation contributions and benefits. Employees are advised to contact their superannuation provider for further advice.

8 Payroll deductions

Payroll deductions from an employee's net pay are to continue as normal when on purchased leave, e.g. fixed bank accounts.

Payroll deductions from gross earnings, e.g. salary sacrifice, are not to occur during periods of purchased leave, as the employee is receiving a net payment.

Employees are advised to consider their financial arrangements for purchased leave periods.

9 Taxation implications

Employees are advised to seek advice from either the Australian Taxation Office (ATO) or their accountant on the taxation implications of accessing the purchased leave arrangements.

10 Reconciliation at end of purchased leave agreement

A reconciliation of the purchased leave deductions and leave taken is to be completed at the end of the agreement period, to determine if money is owed to or owed by the employee.

11 Separation prior to taking any or all of the purchased leave

Deductions made for leave not accessed are to be refunded if an employee terminates their employment prior to taking any or all of the purchased leave.

12 Separation before full deduction is recovered

The following options are available if an employee terminates their employment before the full payment for purchased leave has been deducted from their salary:

- debit of leave entitlements (for leave used when no deduction occurred)
- debit of any final monies owing
or
- repayment of the amount owing by electronic funds transfer (EFT) or cheque.

Employees guarantee to reimburse Queensland Health if necessary when signing the application for purchased leave.

13 Salary deduction for purchased leave

13.1 Calculations for determining net amount deducted

Example based on AO4.1 wage rate as at 01/09/2017

Dates requested	26.03.18 - 30.03.18	-	5 days
	07.05.18 - 11.05.18	-	5 days
	18.06.18 - 22.06.18	-	5 days
	Total	-	15 days
Base fortnightly pay rate		=	\$2,831.20
Less tax			\$ 654.00
Less Super (5%)		=	\$ 141.56
		=	\$2,035.64 net pay
\$2,035.64 / 10 days = \$203.56 net per day			
Net amount purchased - 15 days x \$203.56		=	\$3,053.40
Net amount deducted per fortnight - \$3,053.40 / 26		=	\$117.44

The deductions can commence in the first full pay period after the start date of the agreement once the purchased leave agreement has been approved and calculations have been determined.

Taking purchased leave

Based on the example above, when an employee chooses to use their purchased leave the funds are to be taken from the general ledger purchased leave account and paid to the employee as a net payment.

The employee is paid their net daily amount multiplied by the number of days purchased.

Dates requested	26.03.18 – 30.03.18	=	5 days
Net weekly pay	\$203.56 x 5 days	=	\$1,017.80

13.2 Calculation for determining the net amount deducted for an employee who salary sacrifices superannuation

Example based on AO4.1 wage rate as at 01/09/2017

Dates requested	26.03.18 – 30.03.18	-	5 days
	07.05.18 – 11.05.18	-	5 days
	18.06.18 - 22.06.18	-	5 days
	Total	-	15 days
Base fortnightly pay rate	=	\$2,831.20	
Less salary sacrificed super (5%)	=	\$ 141.56	
Standard fortnightly salary	=	\$2,689.64	
Less tax	=	\$ 604.00	
	=	\$2,085.64 net pay	

\$2,085.64 / 10 days = \$208.56 net per day

Net amount purchased - 15 days x \$208.56 = \$3,128.40

Net amount deducted per fortnight - \$3,128.40 / 26 = \$120.32

The deductions can commence in the first full pay period after the start date of the agreement once the purchased leave agreement has been approved and calculations have been determined.

Taking purchased leave

Based on the example above, when an employee chooses to use their purchased leave the funds are to be taken from the general ledger purchased leave account and paid to the employee as a net payment.

The employee is paid their net daily amount multiplied by the number of days purchased.

Dates requested	26.03.18 – 30.03.18	=	5 days
Net weekly pay	\$208.56 x 5 days	=	\$1,042.80