

# OPERATIONAL CIRCULAR

**Enquiries to:** Local HR Manager  
**Supersedes:** OP 1623/03 (09/01/2003)  
**Superseded by:**

**Number:** OP 1823/04  
**Date:** 12 August 2004  
**File No:** 04-00325

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**Subject: PURCHASED LEAVE POLICY**

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The Department of Health Purchased Leave Policy was developed in consultation with key stakeholders across Health, and in accordance with the 'Department of Health's Human Resource Policy Development Framework'. The policy was endorsed by the State Health Management Team on 17th March 2004. Local Human Resource Services are responsible for the implementation of this policy.

The policy outlines principles of the purchased leave arrangement in accordance with eligible Department of Health Industrial Awards/Agreements and the Department of Consumer and Employment Protection (DOCEP) guidelines. The arrangement allows eligible employees to reduce their salary or wage in order to receive up to four weeks' additional leave per year.

## SCOPE

This policy applies to all persons employed within the Department of Health, which incorporates the following entities:

- Metropolitan Health Services;
- WA Country Health Service;
- South West Area Health Service; and
- Royal Street Divisions.

The following industrial agreements contain the Purchased Leave Arrangement:

- The Public Service General Agreement 2002;
- The Government Officers Salaries, Allowances Conditions General Agreement 2002;
- The Engineering and Building Services Agreements 2002;
- The Hospital Salaried Officers Enterprise Agreements 2001;
- The Medical Practitioners AMA Industrial Agreements 2002; and
- The WA Government Health Services (Australian Liquor, Hospitality and Miscellaneous Workers Union) Agreement 2002.

## POLICY IMPLEMENTATION

The Workplace Policy and Standards Branch and local Human Resource Services are

responsible for the implementation of this policy. The Human Resource Management Committee has identified the minimum implementation requirements for this policy as Steps 1 – 6 as contained in the Framework. They are as follows:

### **Action Undertaken by Workplace Policy and Standards Branch**

1. Place each policy (and supporting documentation) on Health Workforce Link, the DoH workforce communication and information website to provide easy access to employees (<http://intranet.health.wa.gov.au/hwl>).
2. Forward by E-mail a copy of the policy and supporting documents to Regional Directors and Human Resource/Industrial Relations Managers.
3. Notice of new policy is placed in Circulars for Health Services and/or on global e-mail as relevant.
4. Forward a hard copy of the policy and supporting documents to relevant unions.

### **Action Undertaken by Local HR Services**

5. Policy and all associated forms/documents are placed on local Intranet.
6. HR Manager (or delegate) places the new policy on the agenda for the appropriate Executive forum, and advises managers and other staff by e-mail and arranged for hard copies to be placed on notice boards.

### **IF YOU HAVE A QUERY**

Employees who have any questions are to contact their supervisor or manager. Managers or supervisors with queries should contact their Human Resources Department.

### **CONTINUOUS IMPROVEMENT**

To maintain continuous improvement in the development of human resource policies, please refer any feedback regarding this policy to the Policy Officer, Workplace Policy and Standards Branch at [policyofficer@health.wa.gov.au](mailto:policyofficer@health.wa.gov.au).

Marshall Warner  
**ACTING DIRECTOR**  
**WORKFORCE DIRECTORATE**



## PURCHASED LEAVE POLICY

### SCOPE

This policy and guidelines apply to all persons employed within the Department of Health, which incorporates the following entities:

- Metropolitan Health Services;
- WA Country Health Service;
- South West Area Health Service; and
- Royal Street Divisions.

This is a system wide policy and supersedes all policies related to purchased leave arrangements in the Department of Health.

### POLICY STATEMENT

The Purchased Leave - 48/52 Leave Arrangement (the Arrangement) is a voluntary scheme open to employees whose employment conditions (provided in the relevant industrial agreement) provide access to such an arrangement. Under the Arrangement an employee can purchase up to four weeks additional leave per year.

Access to the Arrangement will be subject to approval by the employer, taking into consideration operational requirements and the employee having met the requirements of the applicable Leave Management Policy.

The authority to approve applications to participate in the Arrangement shall be in accordance with the applicable Delegation and Authority Schedule.

Purchased Leave processes and decisions must be fully documented and satisfy the documentation requirements of the attached guidelines. Completed application forms must be filed on the employee's personal file.

The Arrangement will be managed and applied in accordance with the Purchased Leave Guidelines and the principles of procedural fairness.

### DEFINITION

#### **Purchased Leave:**

Purchased Leave is additional leave "purchased" by setting aside a portion of salary to facilitate payment during the time it is taken.

## **OBJECTIVES**

The Arrangement is designed to:

- provide eligible employees with an option to self fund an extra period of leave of up to 4 weeks per year;
- Assist employees reconcile life and work interests/obligations or provide time to pursue sport, study, training or lifestyle options; and
- Assist in the attraction and retention of valued employees.

## **ELIGIBILITY**

The Arrangement is available to employees of the Department of Health depending on their employment conditions outlined in the relevant industrial agreement and subject to agreement by their employer.

The following industrial agreements contain the Purchased Leave Arrangement:

- The Public Service General Agreement 2002;
- The Government Officers Salaries, Allowances Conditions General Agreement 2002;
- The Engineering and Building Services Agreements 2002;
- The Hospital Salaried Officers Enterprise Agreements 2001;
- The Medical Practitioners AMA Industrial Agreements 2002; and
- The WA Government Health Services (Australian Liquor, Hospitality and Miscellaneous Workers Union) Agreement 2002.

Purchased Leave is available to all permanent full time and part time employees employed under an industrial agreement that provides for a Purchased Leave Arrangement. Employees employed on a fixed term contract of 3 months or greater may participate in the Arrangement for a period that does not extend beyond the expiry date of their fixed term contract.

Employees on secondment, transfer or promotion, who would be eligible to join the Arrangement within both their home agency and host agency, may, with the approval of both their home agency and host agency, commence or continue a Purchased Leave Arrangement. Approval will be subject to negotiation between employee and employer (home and host agency) and will be considered on a case by case basis depending on the circumstances.

Casual employees are not eligible to participate in the Arrangement.

## **SUPPORTING DOCUMENTS**

Purchased Leave Guidelines

Appendix 1- Purchased Leave Application Form

Appendix 2 - Purchased Leave - Summary of relevant Award/Agreement Clauses

Appendix 3 - Impact on Employee Entitlements Purchased Leave and Deferred Salary

## **RELEVANT LEGISLATION**

The Public Service General Agreement 2002

The Government Officers Salaries, Allowances and Conditions General Agreement 2002

The Engineering and Building Services Agreements 2002;

The Hospital Salaried Officers Enterprise Agreements 2001

The Medical Practitioners AMA Industrial Agreements 2002

The WA Government Health Services (Australian Liquor, Hospitality and Miscellaneous Workers Union) Agreement 2002

A library of industrial awards and agreements that govern employment in Western Australia's State health system is located at:

<http://www.health.wa.gov.au/awardsandagreements/>

## **RELATED DOCUMENTS**

Leave Management Policies

Department of Consumer and Employment Protection Purchased Leave Guidelines (Circular to Departments and Authorities No. 11 of 2003):

[http://www.docep.wa.gov.au/lr/LabourRelations/Media/cir11\\_03.pdf](http://www.docep.wa.gov.au/lr/LabourRelations/Media/cir11_03.pdf)

## **IF YOU HAVE A QUERY**

Employees who have any questions are to contact their supervisor or manager. Managers or supervisors with queries should contact their Human Resource Department.

## **ACCESSING POLICIES**

Policies are located on:

- Health Workforce Link (<http://intranet.health.wa.gov.au/hwl>)
- Local Intranet

## **CONTINUOUS IMPROVEMENT**

To maintain continuous improvement in the development of human resource policies, please refer any constructive feedback regarding this policy to the Policy Officer, Workplace Policy and Standards Branch at [policyofficer@health.wa.gov.au](mailto:policyofficer@health.wa.gov.au)

## **VERSION CONTROL**

This document has been developed in accordance with the 'Department of Health's Human Resource Policy Development Framework'.

Date endorsed by Human Resource Management Committee: 12 January 2004

Date endorsed by State Health Management Team:

Policy effective date:

Policy review date:



## PURCHASED LEAVE GUIDELINES

### 1. ABOUT THE ARRANGEMENT

Purchased Leave is additional leave “purchased” by setting aside a portion of salary to facilitate payment during the time it is taken. The payment of leave loading does not apply to Purchased Leave.

The Arrangement generally requires 12 months’ participation, whereby an employee can agree to take a reduced salary spread over 12 months and receives up to 4 weeks’ additional leave as follows:

Number of weeks salary spread over 52 weeks	Number of weeks additional leave purchased
48 weeks	4 weeks
49 weeks	3 weeks
50 weeks	2 weeks
51 weeks	1 week

Subject to approval by the employer, employees may take a reduced salary spread over a period of less than 12 months, ie 9, 6 or 3 months and receive an additional 1 week’s leave for each 3 months of reduced salary.

### 2. JOINING THE ARRANGEMENT

An employee can apply to join the Arrangement at any time by completing the *Purchased Leave Application Form* (Appendix 1) and submitting it to their manager.

Access to the Arrangement is subject to approval by the employer, taking into consideration operational requirements and the employee having met the requirements of the applicable Leave Management Policy. All requests must be dealt with in a reasonable and timely manner on the basis of fairness and equity.

Operational requirements may include:

- the availability of suitable leave cover, if required;
- the cost implications;
- the impact on client/patient service requirements;
- the impact on the work of other employees.

The authority to approve applications to participate in the Arrangement shall be in accordance with the applicable Delegation & Authority Schedule.

Approval for an agreed period does not imply approval of further periods of purchased leave. Additional approvals will be required.

A summary of industrial award/agreement clauses relevant to purchased leave is provided in Appendix 2.

### 3. COMMENCEMENT OF THE ARRANGEMENT

Subject to an employee's application being agreed to, participation in the Arrangement will commence from the earliest practicable pay period. The starting date cannot be backdated and will be prospective only.

Note: For Public Servants, this arrangement operates between 1 January and 31 December each year with quarterly commencement dates. An employee will need to apply to join the Arrangement in advance of the effective starting dates, which will be as follows:

Starting Date	Number of months that salary is spread over	Maximum Purchased Leave Permissible
1 January	12 months	Up to 4 weeks
1 April	9 months	Up to 3 weeks
1 July	6 months	Up to 2 weeks
1 October	3 months	1 week

### 4. HOW THE ARRANGEMENT OPERATES

#### GENERAL PROVISIONS:

- Purchased Leave will accrue on a pro-rata basis from the date of commencement of the Arrangement but may be taken in advance by employees, subject to the employer's approval.
- The amount of leave that can be taken at any one time and the commencement of such leave, is subject to approval by the line manager taking into consideration operational requirements. Generally Purchased Leave should be accessed in minimum periods of one week. However, by agreement between the employer and employee, Purchased Leave may be accessed in single days.
  - Purchased Leave must be taken within 12 months of commencing the Purchased Leave Arrangement.
  - Purchased Leave can not be used in substitution for annual leave, resulting in a carry-over and accrual of annual leave into the following year.
  - In the event an employee's ordinary working hours are varied during the year, the amount paid at the time of taking the Purchased Leave and the amount paid for residual leave will be adjusted to take into account any variations to ordinary hours during the accrual year.
  - In the event an employee takes any leave that affects their continuity of service, the Purchased Leave will be pro-rated and adjusted.

Note: The following provisions apply to Public Servants only:

- Purchased Leave does not accrue; therefore, an individual electing to join the Purchased Leave Arrangement will have until the end of that calendar year (31st December) to clear the Purchased Leave.
- Any portion of Purchased Leave not utilised by 31 December will be paid out by the last pay period in January at the employee's current rate of pay. The lump sum payout will be taxed accordingly.

## 5. CALCULATION OF SALARY AFTER PURCHASING LEAVE

The annual salary payable after purchasing leave will be paid at a pro-rata percentage rate, which can be calculated using the formula below. Annual salary is your gross base salary inclusive of commuted allowances according to the terms of your industrial award/agreement.

**Pro-rata Percentage Rate =**

$$\frac{(\text{No. of weeks over which leave is purchased}) - (\text{No. of weeks of purchased leave})}{\text{No. of weeks over which leave is purchased}} \times 100$$

For Example:

Formula	Example
1) 4 weeks' leave purchased over 52 weeks:-  $\frac{52 - 4}{52} \times 100 = 92.31\%$	1) If Level 5.1 normally pays \$49,628, then after purchasing 4 weeks' leave over 52 weeks, it will be reduced to:  92.31% of \$49,628 = \$45,811
2) 2 weeks' leave purchased over 52 weeks:-  $\frac{52 - 2}{52} \times 100 = 96.15\%$	1) If Level 5.1 normally pays \$49,628, then after purchasing 2 weeks' leave over 52 weeks, it will be reduced to:  96.15% of \$49,628 = \$47,717

## 6. EFFECT ON ALLOWANCES AND LEAVE ENTITLEMENTS

The impact of a Purchased Leave Arrangement on allowances and leave entitlements is outlined in the attached *Appendix 3 – Impact on Employee Entitlements*.

Employees are strongly encouraged to consider the impact of Purchased Leave on their allowances and leave entitlements and discuss with their Human Resource Department prior to applying to join the Arrangement.

## **7. WITHDRAWAL FROM THE ARRANGEMENT**

By agreement between the employer and employee, employees may withdraw from the scheme. This must be done in writing and submitted to the employee's manager or supervisor.

Participation will cease at the end of the next practicable pay period and the employee will revert to normal salary at the beginning of the next pay period. The Purchased Leave that has been funded will be paid out in one lump sum at the earliest possible time and taxed accordingly. Alternatively, the employee may apply for the accrued funded leave to remain as leave to be cleared within the calendar year.

Where Purchased Leave has been taken in advance the employee must reimburse the Employer for any leave taken in advance which is in excess of their entitlement at the date of cessation.

## **8. CESSATION OF EMPLOYMENT**

If an employee resigns or retires they will automatically be withdrawn from the Arrangement. The total value of the self-funded leave reduction will be calculated and that portion not already taken as leave will be repaid to the employee in their final pay.

If an employee takes up employment in another public sector agency that has access to a Purchased Leave Arrangement, they may request to transfer their purchased leave.

If approved, transfer will proceed in accordance with *TI 520 Transfer of Employees* which provides for the portability of employee leave entitlements (including purchased leave) between agencies and specifies government policy in relation to the transfer of cash to the new employer in respect of the transferred leave. Transfer includes promotion, redeployment or any other means of permanent transfer that may occur between agencies. TI 520 includes the transfer of purchased leave provided the employee will continue in this Arrangement in the new agency.

The current employer is required to pay to the new employer the amount which the employee would receive if they had left the Arrangement and been compensated for the foregone salary.

## **9. FINANCIAL AND TAXATION ISSUES**

Employees are strongly encouraged to seek independent financial, taxation and superannuation advice prior to applying to join the Arrangement.

Generally, the reduction in salary over the Purchased Leave period will result in a reduction in the employee's taxable income and the amount of tax paid each fortnight.

## 10. SALARY PACKAGING

Employees who are salary packaging whilst participating in the Scheme are able to continue to package up to the approved percentage of their reduced salary.

## 11. SUPERANNUATION

The impact on superannuation entitlements of a Purchased Leave Arrangement will depend on the nature of the employee's membership in the Government Employees Superannuation Scheme:

- **Contributory Lump Sum Scheme (Gold State):** Contributions and benefits are based on pre-reduction salary and will continue to be paid as such while an employee participates in the Purchased Leave Arrangement.
- **Pension Scheme:** Contributions can be maintained at pre-reduction salary level and benefits can accordingly remain based on the pre-reduction salary. Provided the employee is contributing for not less than their optimum (Primary) unit entitlement prior to participating in the Purchased Leave Arrangement.
- **Non Contributory Lump Sum Scheme (West State):** Employer-sponsored superannuation contributions will be based on actual (reduced) salary.

Members of the West State Superannuation Scheme, who withdraw from the Purchased Leave Arrangement, will have employer contributions calculated on the cash salary received as a lump sum payment (where applicable).

Employees are strongly encouraged to seek advice about the implications for their superannuation prior to joining the Purchased Leave Arrangement.

The Government Employees Superannuation Board can also be contacted for further information.

## 12. WORKERS' COMPENSATION

Employees participating in the Scheme who go on workers' compensation will have workers' compensation payments calculated in accordance with the conditions of the *Workers' Compensation and Rehabilitation Act 1981*.

Periods where employees are in receipt of approved workers' compensation payments are treated as *non-participatory service* for the purpose of the Purchased Leave Arrangement.

During non-participatory periods employees will be paid at the rate they would receive if not participating in the scheme (ie as per the conditions of the *Workers' Compensation and Rehabilitation Act 1981*). If the period is unpaid leave, no salary will be paid.

Department of Health, Purchased Leave Guidelines

Where a period of approved workers' compensation exceeds 6 months participation in the Arrangement will be terminated. Payment of the accrued salary will be made in one lump sum at the earliest possible time and taxed accordingly.

**NO LONGER APPLICABLE**



**APPENDIX 1: PURCHASED LEAVE GUIDELINES**

**PURCHASED LEAVE APPLICATION FORM**

Employee to complete	<p style="text-align: center;">Applies to employees covered by:</p> <ul style="list-style-type: none"> <li>• The Public Service General Agreement 2002;</li> <li>• The Government Officer Salaries, Allowances Conditions General Agreement 2002;</li> <li>• The Engineering and Building Services Agreements 2002;</li> <li>• The Hospital Salaried Officers Enterprise Agreements 2001;</li> <li>• The Medical Practitioners AMA Industrial Agreements 2002;</li> <li>• The WA Government Health Services (Australian Liquor, Hospitality and Miscellaneous Workers Union) Agreement 2002.</li> </ul> <p>Eligibility: Permanent full time and part time employees and fixed term contract employees with a contract of 3 months or greater duration may apply. Casual employees are not eligible to participate.</p>										
	<p>Surname: ..... Other Names: .....</p> <p>Directorate: ..... Employee Payroll Number:.....</p> <p style="text-align: center;"><b>PURCHASED LEAVE OPTIONS</b> (Please tick appropriate box)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> to purchase 4 weeks over 12 months</td> <td><input type="checkbox"/> to purchase 2 weeks over 9 months</td> </tr> <tr> <td><input type="checkbox"/> to purchase 3 weeks over 12 months</td> <td><input type="checkbox"/> to purchase 1 week over 9 months</td> </tr> <tr> <td><input type="checkbox"/> to purchase 2 weeks over 12 months</td> <td><input type="checkbox"/> to purchase 2 weeks over 6 months</td> </tr> <tr> <td><input type="checkbox"/> to purchase 1 week over 12 months</td> <td><input type="checkbox"/> to purchase 1 week over 6 months</td> </tr> <tr> <td><input type="checkbox"/> to purchase 3 weeks over 9 months</td> <td><input type="checkbox"/> to purchase 1 week over 3 months</td> </tr> </table>	<input type="checkbox"/> to purchase 4 weeks over 12 months	<input type="checkbox"/> to purchase 2 weeks over 9 months	<input type="checkbox"/> to purchase 3 weeks over 12 months	<input type="checkbox"/> to purchase 1 week over 9 months	<input type="checkbox"/> to purchase 2 weeks over 12 months	<input type="checkbox"/> to purchase 2 weeks over 6 months	<input type="checkbox"/> to purchase 1 week over 12 months	<input type="checkbox"/> to purchase 1 week over 6 months	<input type="checkbox"/> to purchase 3 weeks over 9 months	<input type="checkbox"/> to purchase 1 week over 3 months
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<input type="checkbox"/> to purchase 1 week over 12 months	<input type="checkbox"/> to purchase 1 week over 6 months										
<input type="checkbox"/> to purchase 3 weeks over 9 months	<input type="checkbox"/> to purchase 1 week over 3 months										
<p>I hereby apply to participate in the Purchased Leave Arrangement. I have read, understood and agreed to the terms and conditions of this Arrangement that are set out in the Department of Health's Purchased Leave Policy and Guidelines. By signing this form I agree to consent to recovery of any overpayment of salary or adjustment to leave entitlements and allowances if required.</p> <p>I understand that my participation in the Arrangement will commence from the earliest practicable pay period after this form is approved and submitted to the payroll area.</p> <p>Note: Public servants this arrangement operates between 1 January and 31 December each year with quarterly commencement dates.</p> <p>I understand that I may withdraw from the arrangement at any time.</p> <p>Applicant's Signature:..... Date: ...../...../.....</p>											
Delegated Authority Approval	<p><input type="checkbox"/> Approved    <input type="checkbox"/> Not Approved</p> <p style="text-align: right;">*This form should be forwarded to Human Resources whether approved or not.</p> <p>Reason for non-approval (if applicable):</p> <p>.....</p> <p>.....</p> <p>Name: ..... Title: .....</p> <p>Signature: ..... Date: .....</p>										
Human Resources	<p><input type="checkbox"/> PL Worksheet Completed                      PL Commencement Date: .....</p> <p><input type="checkbox"/> Employee notified of commencement date</p> <p>Signature..... Date.....</p>										



**APPENDIX 2: PURCHASED LEAVE GUIDELINES**

**PURCHASED LEAVE – SUMMARY OF RELEVANT AWARD/AGREEMENT CLAUSES**

PSA = The Public Service General Agreement 2002;  
 GOSAC = The Government Officers Salaries, Allowances Conditions General Agreement 2002;  
 E&BS = The Engineering and Building Services Agreements 2002;  
 HSOA = The Hospital Salaried Officers Enterprise Agreements 2001;  
 AMA = The Medical Practitioners AMA Industrial Agreements 2002;  
 ALHMWU = The WA Government Health Services (Australian Liquor, Hospitality and Miscellaneous Workers Union) Agreement 2002.

√ = Clause contained within this Award/Agreement

	PSA	GOSAC	E&BS	HSOA	AMA	ALHMWU										
<b>PURCHASED LEAVE ARRANGEMENT</b>																
<ul style="list-style-type: none"> <li>The employer and an employee may agree to enter into an arrangement whereby the employee can purchase up to four weeks additional leave. The employee can agree to take a reduced salary spread over the 52 weeks of the year and receive the following amounts of additional leave:</li> </ul> <table border="0" style="margin-left: 40px;"> <tr> <td>Number of weeks salary spread over 52 weeks</td> <td>Number of weeks additional leave purchased</td> </tr> <tr> <td>48 weeks</td> <td>4 weeks</td> </tr> <tr> <td>49 weeks</td> <td>3 weeks</td> </tr> <tr> <td>50 weeks</td> <td>2 weeks</td> </tr> <tr> <td>51 weeks</td> <td>1 week</td> </tr> </table>	Number of weeks salary spread over 52 weeks	Number of weeks additional leave purchased	48 weeks	4 weeks	49 weeks	3 weeks	50 weeks	2 weeks	51 weeks	1 week	√	√	√			
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48 weeks	4 weeks															
49 weeks	3 weeks															
50 weeks	2 weeks															
51 weeks	1 week															
<ul style="list-style-type: none"> <li>At the request of an employee/practitioner, an employer may agree to an arrangement (“the arrangement”) whereby the employee accrues either 1 (51/52), 2 (50/52), 3 (49/52) or 4 (48/52) weeks additional annual leave in lieu of salary of the equivalent value. Both the agreement to the arrangement and the time at which the additional leave is taken will be dependant on the operational requirements of the department where the employee/practitioner works at the particular time.</li> </ul>				√	√	√										
<b>TAKING PURCHASED LEAVE</b>																
<ul style="list-style-type: none"> <li>The additional purchased leave will not be able to be accrued. The employee is to be entitled to pay in lieu of the additional leave not taken. In the event that the employee is unable to take such leave, his/her salary will be adjusted on the last pay period in January to take account the fact that time worked during the year was not included in the salary.</li> </ul>	√	√	√													

	PSA	GOSAC	E&BS	HSOA	AMA	ALHMWU
<b>PURCHASED LEAVE CONDITIONS</b>						
<ul style="list-style-type: none"> <li>Unless otherwise agreed between the employee/practitioner and the employer, an employee/practitioner who enters into an arrangement under this subclause does so in blocks of 12 months. Further, it will be assumed that, an employee/practitioner having entered into the arrangement, the arrangement will be continuing from year to year unless the employer is otherwise notified in writing by the employee/practitioner.</li> </ul>				√	√	√
<ul style="list-style-type: none"> <li>The portion of the employee's/practitioners salary to be forfeited shall be calculated as a fortnightly amount and their fortnightly salary shall be decreased by that amount for the duration of the arrangement.</li> <li>All annual leave taken during the course of the arrangement shall be paid at the reduced rate.</li> <li>The additional annual leave shall continue to accrue while the employee/practitioner is on leave during the course of the arrangement.</li> <li>The reduced salary shall be used for all purposes during the course of the arrangement.</li> <li>The additional leave shall not attract leave loading.</li> </ul>				√	√	√
<b>PART TIME EMPLOYEES</b>						
<ul style="list-style-type: none"> <li>In the event that a part time employee's ordinary working hours are varied during the year, the salary paid for such leave taken will be adjusted on the last pay in January to take into account any variations to the employee's ordinary working hours during the previous year.</li> </ul>	√	√	√			
<b>ACCESS TO THE PURCHASED LEAVE ARRANGEMENT</b>						
<ul style="list-style-type: none"> <li>Access to this entitlement will be subject to the employee having satisfied the Agency's accrued leave management policy.</li> </ul>	√	√	√			
<ul style="list-style-type: none"> <li>For the purposes of this subclause and without limiting the meaning of the term, "operational requirements" may include:                             <ol style="list-style-type: none"> <li>The availability of suitable leave cover, if required;</li> <li>The cost implications;</li> <li>The impact on client/patient service requirements; and</li> <li>The impact on the work of other employees/practitioners.</li> </ol> </li> </ul>				√	√	√



### APPENDIX 3: PURCHASED LEAVE GUIDELINES

#### IMPACT ON EMPLOYEE ENTITLEMENTS PURCHASED LEAVE (48/52) AND DEFERRED SALARY SCHEME

##### Definitions:

Purchased Leave is additional leave “purchased” by setting aside a portion of salary to facilitate payment during the time it is taken. Purchased Leave is not additional annual leave.

The Deferred Salary Scheme requires five years participation, whereby an employee works for four years at 80% of salary and on completion of the fourth year is entitled to 12 months leave with fortnightly payments made to the employee.

##### Effect on Leave Entitlements:

Annual Leave	Annual leave taken during the operation of the schemes is paid at the reduced rate. <u>Deferred Salary Scheme</u> : The twelve months paid absence from work in the fifth year of the scheme includes the annual leave entitlement of 4 weeks for that year. Annual leave credits should be debited by 4 weeks. Note: AL entitlements do not accrue during the twelve months paid absence for employees under the Enrolled Nurses and Nursing Assistants EA or MHS Engineering and Building Services Award
Annual Leave Travel Concession (ALTC)	<u>48/52</u> : The ALTC is accessible to employees during the operation of the scheme. <u>Deferred Salary Scheme</u> : ALTC is available to employees during the fifth year of the scheme where employees have qualified for an ALTC. At the completion of the scheme, the fifth year is excised from the qualifying period to access an ALTC.
Annual Leave Loading (ALL)	ALL is paid on all annual leave taken during the operation of the schemes on the reduced salary. <u>48/52</u> : ALL is not paid on purchased leave. <u>Deferred Salary Scheme</u> : Employees will receive ALL for the annual leave entitlement of 4 weeks included in the fifth year of the scheme. The ALL should be paid in the first 4 weeks of the fifth year (where applicable).
Public Holidays and Public Service Holidays in lieu	<u>Deferred Salary Scheme</u> : Employees have no entitlement to public holidays and public service holidays in lieu during the fifth year of the scheme.
Long Service Leave (LSL)	Long service leave taken during the operation of the schemes is paid at the reduced rate. <u>48/52</u> : The accrual of LSL for employees under this scheme is not effected. <u>Deferred Salary Scheme</u> : On resumption after the fifth year of the scheme the accrual date for a LSL entitlement will be extended by seventy-three days Note: LSL entitlements do not accrue during the twelve months paid absence for employees under the MHS Engineering and Building Services Award.
Leave Cashed Out	Where an entitlement to have leave cashed out exists an employee will be paid at 100%
Sick Leave	Sick leave taken during the operation of the schemes is paid

	<p>at the reduced rate. Employees cannot substitute sick leave for illness or injury when on purchased leave.</p> <p><u>Deferred Salary Scheme</u>: On resumption after the fifth year of the scheme the anniversary date of sick leave accrual is extended by seventy-three days.</p> <p>Note: SL entitlements do not accrue during the twelve months paid absence for employees under the Enrolled Nurses and Nursing Assistants EA or MHS Engineering and Building Services Award</p>
Parental Leave	<p>Paid parental leave taken during the operation of the schemes will be paid at the reduced rate.</p> <p><u>48/52</u>: In order to access any period of unpaid parental leave, employees will need to withdraw from the scheme.</p> <p><u>Deferred Salary Scheme</u>: In order to access any period of unpaid parental leave during the first four years of the scheme will require a suspension of the scheme for a maximum of 12 months.</p> <p>Paid parental leave may be accessed prior to, but not during a period of absence on deferred leave.</p>
Other leave entitlements: bereavement, cultural, study leave, donor leave, military leave etc.	<p>Employees have no entitlement to other forms of paid leave while on purchased leave or deferred leave.</p>
Salary/Service Increments	<p><u>Deferred Salary Scheme</u>: During the fifth year of the scheme, the anniversary date for service increments is extended by seventy-three days and the new anniversary date for subsequent increments is maintained. Any increment or salary increase is payable on the resumption of work.</p>

Effect on Allowances:

Commuted Allowances	<p>When a commuted allowance is paid as an annual amount or percentage of salary and paid per fortnight, employees will receive the allowance at the reduced rate and during periods of purchased leave.</p>
Personal classification and/or salary maintenance	<p>When a personal classification or salary maintenance is paid, employees will receive the allowance at the reduced rate and during periods of purchased leave.</p>
District Allowance	<p>Employees shall only be paid district allowance for the period of the purchased leave or deferred leave if the employee, dependant/s or partial dependant/s remain in the district in which the employee's headquarters are located. The district allowance will be paid at 100%.</p> <p><u>Deferred Salary Scheme</u>: If employees do not reside in the district during the fifth year of the scheme they will not be paid the district allowance.</p>
Other allowances: Accommodation, Shift Penalties, On Call, Availability, Standby, meal, medical terminology, travel allowances etc	<p>These allowances are compensation in addition to the normal salary and are payable at the rate specified in the award. Where these allowances are referred to as a percentage of salary they are not calculated on the reduced rate.</p>

Higher Duties Allowance (HDA) / Temporary Special Allowance (TSA)	The payment employees receive is the difference between the substantive salary and the salary the employee would receive if permanently appointed to the acting position under the award or agreement. HDA and TSA are not paid on purchased leave.
Overtime	Overtime is paid at the normal substantive salary not the reduced rate. This will also apply where overtime is referred to as a percentage of salary.
AMA Professional expenses, professional development and private practice allowance	Paid at the reduced rate. Payments such as facilities fees, administration costs and medical defence premiums are not reduced.

**NO LONGER APPLICABLE**