

IMPORTANT CHANGES TO LONG SERVICE LEAVE IN VICTORIA

New long service leave laws are due to commence in Victoria from 1 November 2018. The Victorian *Long Service Leave Act 2018* will introduce a number of important changes of which employers should be aware.

Key Changes

The key changes are as follows:

- Employees Can Take LSL After 7 Years: At present, Victorian employees can only take long service leave after completing 10 years of continuous service with their employer. If their employment ends after completing at least 7 years of service, employees are entitled to be paid a pro rata amount of long service leave on termination of employment. However, under the new legislation, employees will be entitled to take long service leave after completing 7 years of continuous service with their employer.
- Parental Leave: Under the current laws, any period of unpaid parental leave does not count towards calculating an employee's period of continuing service for long service leave. However, the new Act allows for any period of unpaid parental leave of up to 52 weeks to count towards the period of service for long service leave.
- One Day At A Time: Under the current laws, an employee must take long service leave in one period with limited exceptions. In particular, an employer and employee may agree for the employee to take the first 13 weeks of their entitlement in two or three separate periods. Importantly, the new Act allows for employees to take long service leave for periods as little as one day at a time. An employer may only refuse such a request on reasonable business grounds.
- Re-employment: Currently, if an employee is dismissed and later re-employed within a three month period, then continuity of service is not severed for long service leave purposes. The new legislation expands this so that continuity of service will not be broken if an employee is either dismissed or resigns and is then re-employed within a 3 month period.
- Penalties: The new legislation has tripled the amount of the financial penalties available against employers who breach the Act.

Implications for Employers

Employers in Victoria should take the necessary steps to prepare themselves for the introduction of the new laws on 1 November 2018. For example, employers may wish to identify which employees have completed, or are approaching completion of, 7 years continuous service and who will soon be entitled to take long service leave. Further, employers may wish to review their payroll systems to ensure long service leave accruals include periods of parental leave of up to 52 weeks. In addition, employers should review any policies and procedures they have in place regarding long service leave to ensure they properly reflect the new laws.

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