

Factsheet - Key changes to the employment leave system

	Current system	Proposed new system
	Earning and taking leave	
Annual leave	<ul style="list-style-type: none"> Provided to all workers as a 4-week lump sum entitlement after each 12 months' 'continuous employment' (unless pay-as-you-go applies). Not earned after the first week of unpaid leave (unless it is sick, bereavement or family violence leave). A 'week' of leave reflects work pattern when leave is taken. Leave balances 'scale' to match changes in hours. Taken in agreed portions of weeks. Workers can request to cash up 1 week in each 12 months. 	<ul style="list-style-type: none"> Accrues in hours from day one at 0.0769 (4/52) of each contracted hour of work. Also accrues when a worker is on paid leave, parental, volunteers and jury leave. Does not accrue on any unpaid leave or when receiving accident compensation. Leave hours are 'banked' with no balance adjustment if contracted hours change. Taken in hours against contracted hours. Workers can request to cash up 25% of their total annual leave balance each 12 months.
Sick leave	<ul style="list-style-type: none"> All eligible employees receive a 10-day lump sum entitlement (up to a 20-day cap) after 6 months and after every subsequent 12 months. Taken in full days on a day that is an 'Otherwise Working Day'. 	<ul style="list-style-type: none"> Accrues in hours from day one at 0.0385 (2/52) of each contracted hour of work and during the same unworked periods as annual leave (up to a 160-hour cap). Taken in hours against contracted hours and any hours a worker has accepted.
Bereavement and family leave	<ul style="list-style-type: none"> For eligible employees entitlements apply after 6 months. Taken as full days of entitlement. 	<ul style="list-style-type: none"> Remain as days-based entitlements but apply from day one for <i>all</i> workers. Ability to take part days of entitlement on the same days as sick leave.
Public holidays	<ul style="list-style-type: none"> Entitlements to paid days off work and alternative holidays apply on Otherwise Working Days (OWD) - employers and workers must consider a range of factors when it this is not clear. 	<ul style="list-style-type: none"> A new OWD test for workers without contracted days (or pattern of days) of work based on whether the employee has worked 50% of corresponding days of the week.
Alternative holidays	<ul style="list-style-type: none"> A whole alternative holiday day provided when a worker works a public holiday that is an OWD, regardless of the time actually worked on that day. Must be taken on another OWD and can be cashed up after 12 months. 	<ul style="list-style-type: none"> Alternative holiday hours accrue at a rate of 1:1 for every hour worked (or required to work if called) on a public holiday that is an OWD. Taken on any day that could have been worked under employment agreement and can be cashed up at any time.
	Leave Pay	
Leave payments	<ul style="list-style-type: none"> Multiple calculations and comparisons to reflect pay for non-contracted hours and other variable payments. Annual leave taken soon after parental or volunteer leave paid at a lower rate due to an override to the usual rules. 	<ul style="list-style-type: none"> All leave paid at an hourly leave pay rate (base wage for the day of leave), with an hourly average of pieces rates. 'Fixed' allowances paid in full during leave. Annual leave taken after parental and volunteer leave paid as normal.
Leave compensation payments	<ul style="list-style-type: none"> Employers and workers can agree to use "Pay as you go" (8% of gross earnings) instead of providing paid annual leave if work is intermittent or irregular or for a fixed term of less than 12 months. 	<ul style="list-style-type: none"> A leave compensation payment, set at 12.5% of a workers ordinary hourly wage rate, will be paid on all hours worked by a 'casual' worker and every 'additional' hour worked by other workers (except where those hours are compensated by salary) instead of accruing annual and sick leave on these hours. Fixed term workers accrue leave from day 1.
Implementation period: There will be a 24-month period between when the Bill has passed and when it comes into force to provide time for payroll providers and employers to make changes to business and payroll systems.		