



Leave without pay

Introduction

This fact sheet explains the provisions of the Public Sector Superannuation Reform Regulations 2017 in relation to the rights and obligations of RBF members who take leave on less than full pay or leave without pay.

The following questions are important when considering your RBF membership during periods of leave on less than full pay or leave without pay.

- 1 What type of leave have I been granted?
- 2 Do I have to contribute during my period of leave without pay?
- 3 Can I contribute during my leave?
- 4 Do I want to contribute during my leave?

Contributory Scheme

Leave of 20 continuous working days or less

Where a Contributory Scheme member takes leave without pay which does not exceed 20 continuous working days, the member must maintain contributions at the rate applicable to his or her normal salary.

Leave which exceeds 20 continuous working days

Where a Contributory Scheme member takes leave on less than full pay or without pay which exceeds 20 continuous working days, a range of options are available. These options will vary depending on whether the member is undertaking:

- ▶ parental leave;
- ▶ sick leave; or
- ▶ leave for any other reason.

Parental leave

Parental leave is any period not exceeding 12 months on any one occasion of unpaid maternity leave, unpaid paternity leave or unpaid adoption leave. For RBF purposes parental leave must be unpaid leave and cannot exceed 12 months. Any period classified as parental leave exceeding 12 months will be treated as a contribution holiday (see Option 4 next page).

The following options are provided for members on parental leave.

1 Pay contributions in advance¹

RBF will provide details of the contributions payable for the period of leave. If payment is made in advance, no interest is payable.

2 Continue to contribute on a regular basis¹

Arrange for advance payment of contributions on a regular basis during the period of leave. These contributions can be paid:

- ▶ monthly; or
- ▶ quarterly.

Where regular advance payments are made, no interest is payable.

¹ The contributions required under Options 1, 2 and 3 are those which would have been payable (including any pay increases) had normal employment continued.

3 Elect to pay contributions in arrears (including interest)¹

Apply in writing to defer payment of contributions during the period of leave. A member may defer payment for up to a maximum of two years. As a condition of approval, arrears of contributions plus interest accrued on the arrears may be paid by making:

- ▶ a lump sum payment while still an employee; or
- ▶ contribution payments via cheque. Please ensure the reason for the payment is clearly marked on the remittance.

¹ The contributions required under Options 1, 2 and 3 are those which would have been payable (including any pay increases) had normal employment continued.

4 Not pay contributions (contribution holiday)

Elect in writing not to contribute to RBF during the period of leave. Although a member making such an election retains all rights and entitlements as an RBF member, the period of leave is **NOT** included for benefit calculation purposes.

A contribution holiday period may be purchased at any time prior to terminating employment. The cost of purchasing the contribution holiday is based on your salary at the time of the election and it also includes the employer component. It should be noted that a member may be required to pass a medical examination carried out for RBF purposes, before purchasing a contribution holiday.

Where no election is made, the period of parental leave will be deemed to be a contribution holiday (Option 4).

Sick leave on less than full pay or without pay

The following options are provided for members who are granted leave on less than full pay or without pay for the purpose of sick leave.

1 Pay contributions in advance²

RBF will provide details of the contributions payable for the period of leave. If payment is made in advance, no interest is payable.

2 Continue to contribute on a regular basis²

Arrange for advance payment of contributions on a regular basis during the period of leave. Payment on a regular basis means payments made:

- ▶ monthly; or
- ▶ quarterly.

Where regular advance payments are made, no interest is payable.

3 Elect to pay contributions in arrears (including interest)²

Apply in writing to defer payment of contributions during the period of leave. A member may defer payment for up to a maximum of two years. As a condition of approval, arrears of contributions plus interest accrued on the arrears may be paid by making:

- ▶ a lump sum payment while still an employee; or
- ▶ contribution payments via cheque. Please ensure the reason for the payment is clearly marked on the remittance.

Where no election is made, the period of leave will be treated in the same manner as if the member had elected to defer the payment of contributions, with arrears and interest to be paid.

² The contributions required under Options 1, 2 and 3 are those which would have been payable (including any pay increases) had normal employment continued.

Leave without pay for any reason other than parental and sick leave

Members undertaking leave without pay for any reason other than parental or sick leave may **NOT** make contributions to the Contributory Scheme during the period of leave. All membership rights and entitlements are maintained during the period of a contribution holiday; however the period is **NOT** included as contributory service for benefit calculation purposes. **This will lead to this period not being recognised for benefit payment purposes.**

A contribution holiday may be purchased and paid for at any time prior to terminating employment. The cost of purchasing the contribution holiday is based on the member's salary at the time of purchase and requires the member to ensure both personal contributions and employer contributions are paid using actuarial factors. Members may be required to have a medical examination carried out for RBF purposes, before purchasing a contributions holiday.

Important information

Members should note that any option applied to a period of leave without pay, including the default option where the member fails to make an election, can only be varied prospectively from the date of receipt of the written election. Changes will not be applied retrospectively.

How do I elect?

Complete the 'Contributory Scheme – Parental/Sick leave without pay election' form (available on the RBF website at www.rbf.com.au) to advise RBF of your intentions in relation to your Contributory Scheme membership during any period of leave on less than full pay or without pay exceeding 20 continuous working days.

State Service Accumulated Leave Scheme

The State Service Accumulated Leave Scheme (SSALS) is a State Government work arrangement where employees work full-time over an agreed period but are paid a proportion of their normal salary. The unpaid hours are banked and are taken as accumulated leave which is paid at the same proportional salary.

Employment entitlements (including service for the purposes of the Contributory Scheme) accrue at the appropriate part-time rate determined by the SSALS plan. SSALS is not regarded as leave without pay for the purpose of the Contributory Scheme.

Further information on SSALS can be obtained from your employer.

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This fact sheet contains information or advice that is intended to be general in nature and which was prepared without taking into account your personal objectives, financial situation or needs. Because of that, before acting on any information or advice in this fact sheet, please consider whether it is appropriate to your personal circumstances, talk to a financial adviser and consider your Schemes Member Booklet and related Fact sheets available from www.rbf.com.au before making a decision about whether to acquire the Products.

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Contacting **RBF**

Contact RBF if you would like additional information or assistance.

RBF Enquiry Line: 1800 622 631 or
+61 2 8571 6868
(international)

Visit: www.rbf.com.au

Write: RBF, Reply Paid 89418,
PARRAMATTA NSW 2124

Office: Ground Floor,
21 Kirksway Place,
Hobart
Level 3, Henty House,
1 Civic Square,
Launceston
