



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, or who participate in the State Service Accumulated Leave Scheme or Purchased Leave Scheme.

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 their normal salary, service fraction and rate of contribution.

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). For example, if 15 months parental leave was taken, the first 12 months of this is classed as parental leave and the remaining 3 months would be classed as a contribution holiday.

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, EFT, roll over from another fund, or extra contributions from salary. 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 as contributory service for benefit calculation purposes.

A contribution holiday period may be purchased retrospectively at any time prior to terminating employment. The cost of purchasing the contribution holiday is based on the members 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. Refer to the 'Purchase and Upgrade of service' fact sheet (available on the RBF website at www.rbf.com.au).

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, EFT, roll over from another fund, or extra contributions from salary. 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 which exceeds 20 continuous working days, 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.

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.

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 parental leave or sick leave without pay.

State Service Accumulated Leave Scheme and Purchased Leave Scheme

Members may elect to participate in the State Service Accumulated Leave Scheme (SSALS) or Purchased Leave Scheme (PLS) if approved by their employer. Entering into a SSALS/PLS agreement will reduce both your Contributory Scheme benefit and your insurance cover through the Scheme. SSALS/PLS are not regarded as leave without pay for the purpose of the Contributory Scheme, however participating in SSALS/PLS is the same as choosing to work part time for any given length of time for RBF purposes, therefore your employment percentage will reduce for the length of your SSALS/PLS plan.

Further information on SSALS/PLS can be obtained from your employer.

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The information in this fact sheet is of a general nature only. It does not take into account your personal objectives, financial situation or needs. Accordingly, before acting on the contents of this fact sheet, you should consider whether it is appropriate to you, having regard to your objectives, financial situation and needs. You should read any relevant RBF documentation available at www.rbf.com.au before making a decision. We also recommend that you consider talking to a financial adviser.

The Superannuation Commission is not licensed to provide financial advice to RBF members.

If you would like general information about your super you can make an appointment with one of RBF's Superannuation Consultants; simply contact the RBF Enquiry Line on **1800 622 631**.

At RBF, we strive to provide accurate and up-to-date information to our members. However, things may have changed since this fact sheet was published and some of the information may no longer be correct. If there are mistakes or omissions in the information, we reserve the right to correct those errors or omissions. The governing rules of RBF will prevail over any misstatement in this fact sheet.

Information contained in this fact sheet may be updated at any time without prior notification to you. Updated information can be downloaded from our website at www.rbf.com.au. A hard copy can also be posted free of charge by calling the RBF Enquiry Line on **1800 622 631**.

The privacy and confidentiality of your personal information is important to RBF. We hold your personal information securely and use it only for the purposes described in the RBF 'Privacy Policy', available on the RBF website at www.rbf.com.au.

Your personal information, including sensitive information, may be transferred between RBF and RBF's administrator Australian Administrative Services Pty Ltd (ABN 62 003 429 114). AASs Privacy Policy is also available on the RBF website at www.rbf.com.au.

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Contacting RBF

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