Leave Loading

What is leave loading?
Leave loading is a payment that employees are entitled to when they take annual leave. This payment, equivalent to 17.5% for four weeks ordinary salary per year, is payable either:

- upon an employee’s 12 month anniversary date or
- When the annual leave is taken.

Timing of this payment is dependent upon whether the leave taken is classified as ‘entitlement’ or ‘pro-rata’ leave.

Regardless of employee seniority, the maximum rate the 17.5% leave loading is paid at is Clerk Grade 12 public service salary. If an employee is on a lower grade than Clerk Grade 12, they will receive 17.5% leave loading at their specific employment grade.

Note: Leave Loading is only applicable to standard entitlement annual leave. It is not applicable to Additional leave accrued over the four week base entitlement per annum, with the exception of workers in Broken Hill, Tibooburra and Ivanhoe District Hospitals.

Leave loading and the new system
There is no change to leave loading entitlements. When employees receive the leave loading depends on whether the annual leave taken is ‘entitlement’ or ‘pro-rata’ leave.

‘Entitlement’ annual leave
An employee has to work for 12 months and have earned four weeks annual leave for it to be categorised as ‘entitlement’ annual leave.

When an employee takes ‘entitlement’ annual leave, they will receive their 17.5% annual leave loading at the time they take the annual leave for the period of the entitlement leave being taken.

‘Pro-rata’ annual leave
If an employee applies and is granted annual leave before it is accrued (that is, prior to the 12 months) then it is defined as ‘pro-rata’ leave. In this case, leave loading will be payable upon their anniversary date (when the four-week annual leave entitlement has been accrued).

By taking pro-rata annual leave the employee does NOT lose the right to receive leave loading, however, it will be paid after the annual leave has been accrued and has become an entitlement.

For example, an employee may take a week off after three months of work but won’t receive the 17.5% leave loading for that week until their 12 month anniversary date.
Shift worker entitlements
Shift workers (anyone receiving payment of shift penalties) are entitled to receive leave loading to top up their total shift penalties paid on their annual leave, provided that the shift penalties payment is less than the leave loading payment.

If employees were paid shift penalties when pro-rata annual leave was taken, reconciliation will occur on the anniversary date. If the shift penalties were greater than the amount of leave loading due, employees will not receive any leave loading on the 12 month anniversary. If the shift penalties paid were less than the leave loading due, reconciliation will occur.

Leave Loading on termination
No annual leave loading or shift allowances and weekend penalties are payable to an employee who is paid the monetary value of annual leave to his/her credit on resignation.

Leave Loading is payable upon retirement, the completion of Temporary Contracts, and also included within Voluntary Redundancy payments.

Further information
- HR & Payroll enquiries can be submitted to the Service Centre online by clicking on the blue Pay Query icon on the HealthShare NSW home page.

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