The Public Sector Unions Wages Agreement 2013, (PSUWA 2013), or a variation thereof, applies to employees covered by the following awards:

- Tasmanian State Service Award;
- AWU (Tasmanian State Sector) Award;
- Legal Practitioners Award;
- Health and Human Services (Tasmanian State Service) Award; and
- Port Arthur Historic Site Management Authority Award for the purposes of these Guidelines.

The relevant clause in the PSUWA 2013 is:

8. **CASHING OUT OF RECREATION LEAVE**

An employee and employer may agree for the employee to cash out a particular amount of their accrued recreation subject to:

(i) The amount of recreation leave to be cashed out cannot result in the employee’s remaining accrued entitlement being less than one (1) year’s entitlement; and

(ii) Cashing out of a particular amount of excess recreation leave must be by separate agreement in writing between the employer and the employee; and

(iii) The employee is to be paid the amount of salary that would have been payable had the employee taken the leave that is now to be forgiven; and

(iv) The employee and the employer are to agree on an amount of accrued recreation leave that the employee is required to access in the year in which the leave is to be cashed out.

**GUIDELINES**

1. These Guidelines provide the framework for an Agency to manage a request from an employee to cash out a portion of accrued recreation leave. The Agency and employee are required to agree to cashing out of recreation leave and the amount of recreation leave to be cashed out and how to manage the remaining leave. The management priority is for employees to take their recreation leave on a regular basis. These Guidelines emphasise that any agreement to cash out a portion of recreation leave must be regarded as a valid management and operational measure and budget must be available.
2. The Cashing Out of Recreation Leave provision in the PSUWA 2013 enables an employee to cash out recreation by agreement with the relevant Agency. This reinforces various award provisions on recreation leave accrual. For instance, the Tasmanian State Service Award, Part VIII, clause 5(d) prescribes the maximum accrual of recreation leave as not being more than 2 years’ entitlement with the employer required to make arrangements for the employee to not exceed that entitlement.

Where specific award provisions to enforce leave management do not exist it is sound management practice for employees to take their annual recreation leave entitlement on an annual basis.

3. The PSUWA 2013 at clause 8(i) states the amount of recreation leave remaining after cashing out a portion of it is to be not less than one year of entitlement. A specific agreement on the amount of leave requested to be cashed out together with a Leave Management Plan (LMP) is required between an Agency and an employee prior to reaching agreement on the portion to be cashed out. It is recommended that the LMP specifies that the leave that remains to be taken is balanced with the amount of leave that is agreed to be cashed out and that this leave is taken within 6 months of the leave being cashed out.

4. An employee may apply to have an amount of their accrued recreation leave cashed out over the life of the PSUWA 2013. It is recommended that in the development of the LMP that the accrued recreation leave cashed out occurs once only.

5. Other than in exceptional circumstances the minimum amount of accrued recreation leave that an employee can apply to have cashed out is five (5) days entitlement of full-time equivalent employment.

6. The salary payable to an employee who cashes out recreation leave is the salary that would have been payable had the employee taken the leave that is to be forgone. This means the salary the employee would normally receive and does not include allowances unless those allowances are paid as part of an annualised salary. It does not include allowances such as Higher Duties Allowance (HDA) or More Responsible Duties Allowance (MRDA) unless the allowance has been continuously paid for a minimum of 6 months.

7. For employees employed according to the Health and Human Services (Tasmanian State Service) Award (HaHSA) the recreation leave payable does not include either recreation leave loading or shift penalty payments calculated
according to projected shifts. The former is payable if it is a higher payment than projected roster shift penalty payments and the latter is payable only when an employee actually takes recreation leave. If recreation leave has not been taken recreation leave loading is paid on an annual basis, therefore it has already been paid. This applies to both day workers and shiftworkers.

8. An employee who is a member of the Retirement Benefits Fund (RBF) Contributory Scheme does not have superannuation contributions made on the leave that is cashed out and this “additional salary” does not count for superannuation purposes.

9. An employee who is a member of the RBF Tasmanian Accumulation Scheme, (or any other complying superannuation scheme nominated by the employee) does have superannuation contributions made on the leave that is cashed out and this “additional salary” does count for superannuation purposes.

Frank Ogle
Director
State Service Management Office

........................................................................................................ Date: .......................
Application to Cash Out Recreation Leave

Please forward completed form to:
[Agency]
Human Resource Management
[Contact]
[Address]

<table>
<thead>
<tr>
<th>Employee Details</th>
</tr>
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<tbody>
<tr>
<td>Given Name:</td>
</tr>
<tr>
<td>Surname:</td>
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<tr>
<td>Position Title:</td>
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<td>Division:</td>
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<table>
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<tr>
<th>Leave Details</th>
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<tr>
<td>Recreation Leave Accrual</td>
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<tr>
<td>Amount of Recreation Leave to be cashed out *:</td>
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<tr>
<td><em>(Remaining accrued Recreation Leave must not be less than one (1) year’s entitlement)</em></td>
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</tbody>
</table>

I apply to cash out my accrued recreation leave as detailed above and understand that:

- agreement by the employer to this request means that an amount of my accrued recreation leave as detailed above will be paid out to me in lieu of this leave being taken;
- the salary rate I will receive will be the amount of salary that would have been payable had I taken the leave, subject to clauses 6 and 7 of the Guidelines;
- it is my responsibility to seek advice on the effects of taking a cash payment in lieu of recreation leave on my superannuation, taxation, social welfare eligibility, income protection insurance and associated matters;
if I am a member of the Contributory Scheme administered by Retirement Benefits Fund (RBF) superannuation contributions are not made on the leave that is cashed out and this “additional salary” does not count for superannuation purposes;

if I am a member of the Tasmanian Accumulation Scheme administered by RBF (or any other complying superannuation scheme nominated by the employee) superannuation contributions are made on the leave that is cashed out and this “additional salary” does count for superannuation purposes;

the Agency will require a Leave Management Plan (LMP) to enable me to take a period of leave within 6 months of agreement to cash out a period of recreation leave;

My manager/supervisor and I have developed a LMP to manage the current and expected accrual of my recreation leave and long service leave (if applicable) for the next 12 months.

Employee Signature:
Date:

Manager/Supervisor Declaration:

Leave Management Plan attached*: Yes [ ] No [ ]
*(Application to cash out recreation leave is not to be agreed until a LMP has been agreed between employee and their manager)

Application Agreed [ ] Application Not Agreed [ ]

Manager Name:
Manager/Supervisor Signature:
Date:

Signature of Authorised Delegate:
Date: