

Career Break Scheme for Public Health System Nurses and Midwives

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Summary Award provisions of the Career Break Scheme are set out in the Public Health System Nurses' and Midwives' (State) Award. The Policy is to ensure staff in the NSW Health Service are aware of the award provisions; sets out requirements for implementation of the Scheme's provisions within the public health system; and consolidates this information in a single policy directive.

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This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is **mandatory** for NSW Health and is a condition of subsidy for public health organisations.

NSW HEALTH

**Career Break Scheme
For NSW Health Service
Nurses and Midwives**

June 2007

CAREER BREAK SCHEME FOR NSW HEALTH SERVICE NURSES AND MIDWIVES

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1. INTRODUCTION

In 2005, as part of a new award for public health system nurses and midwives, it was agreed to introduce a provision for nurses and midwives to apply to participate in a Career Break Scheme ('the Scheme').

The Award provisions of the Scheme are presently detailed at clause 56 of the *Public Health System Nurses' and Midwives' (State) Award* ('the Award').

The Scheme is subject to applicable taxation law and requirements, and such law and requirements prevail to the extent of any inconsistency with the Scheme as described in this Policy Directive.

The Scheme allows employees to defer twenty per cent of their salary for four years, and be paid this deferred salary in the fifth year. Employees approved to participate in the Scheme may take a break of one year away from their position covered by the Award – the Deferred Salary Leave Year. This one year absence may be for professional and personal development, such as participation in other industry experience; post graduate study; working in overseas health systems; or for other activities, including those of a non-professional nature unrelated to the practice of nursing and midwifery.

The provisions of the Scheme are very similar to, and draw upon those applying to Teachers in Schools and TAFE and Related Employees, Institute Managers and Chief Education Officers' - PD 2002/004/V001, in the NSW Department of Education and Training.

Determination of Conditions of Subsidy requires (to the extent permitted by law) non-declared affiliated health organisations to comply with policy directives dealing with the terms and conditions of employment of staff employed in the NSW Health Service and to provide to staff the same conditions of employment as those set out in industrial instruments applicable to staff employed in the NSW Health Service.

2. SCOPE

This Policy Directive describes the Scheme's provisions for nursing and midwifery staff employed in the NSW Health Service.

The entitlements are contained in the Award. This policy directive details the Scheme's provisions, as well as providing additional information on the application of the Award provisions.

3. PURPOSE

The purpose of this policy directive is to:

- ensure staff employed in the NSW Health Service are aware of the provisions of the Scheme applying to nurses and midwives;

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- set out requirements for the implementation of the Scheme's provisions within the public health system; and
- consolidate this information in a single policy directive.

4. DEFINITIONS

The Deferred Salary Leave Year means the fifth year of the Scheme where the employee is absent from work and receives the deferred salary from the previous four years through participation in the Scheme. This year cannot be compressed into a period of less than twelve months.

Employer means any person authorised to exercise the functions of the employer of staff to which this policy directive applies.

NSW Health Service consists of those persons who are employed under Chapter 9, Part 1 of the *Health Services Act 1997* by the Government of New South Wales in the service of the Crown.

Public health system includes area health services, declared affiliated health organisations in respect of their recognised establishments or services, statutory health corporations, the Ambulance Service of NSW, Institute for Medical Education and Training, Health Technology, Health Support and any administrative unit or division under the control of the Director-General or Health Administration Corporation in which staff of the NSW Health Service are employed.

5. ACCOUNTABILITIES

Employees have a responsibility to provide the necessary information and documents to enable their application for participation in the Scheme to be considered in an informed manner, and to provide this material promptly in furtherance of any application they may make. Employees must apply for participation in the Scheme in accordance with the procedure applying in their public health system entity.

Entities within the public health system:

- have a responsibility to ensure employees covered by the Award are aware of the Scheme's provisions;
- shall consider employees' application for participation in the Scheme promptly and by correctly applying the provisions set down in the Award and in this policy directive;
- are responsible for the accurate and timely assessment of applications for participation in the Scheme; and
- are to ensure that employees' records for participation in the Scheme are accurate and complete.

6. RELATED POLICIES

Not applicable.

7. OPERATION OF THE SCHEME

Employees who apply for and are approved to participate in the Scheme receive 100% of their normal salary for the first four years, with a deduction equivalent to 20% of net salary (gross less tax). The 20% of net salary is deposited into a trust account administered by the public health system entity in the employee's name each pay period for payment in the fifth year, being the Deferred Salary Leave Year.

The public health system entity will establish a separate trust account within the Special Purposes & Trust Fund for each approved employee who participates in the Scheme for the duration of the employee's involvement in that Scheme. Interest accruing in the trust account for the period of its operation will be made available for the exclusive benefit of the approved employee during the Deferred Salary Leave Year, or upon the employee withdrawing from the Scheme.

Participants will be paid the accrued salary plus interest in the Deferred Salary Leave Year in either a lump sum, or by fortnightly payment. The employee shall make a written election prior to the commencement of the Deferred Salary Leave Year to be paid by lump sum, or fortnightly payment.

If the employee elects to receive a lump sum, this sum is the combination of the salary deductions made during years one to four of the Scheme, together with interest accruing in the trust account.

If the employee elects to be paid fortnightly, payment shall be calculated in the following manner:

(a) For those years when twenty six fortnights are payable:

Fortnight one: employee is paid one twenty-sixth of the total amount available in the trust account at the date the calculation is made for payment.

Fortnight two: employee is paid one twenty-fifth of the total amount available in the trust account at the date the calculation is made for payment.

Fortnight three: employee is paid one twenty-fourth of the total amount available in the trust account at the date the calculation is made for payment; and

So on in corresponding manner for the remaining fortnights of the deferred salary leave year. In the last fortnight, the employee will be paid the remaining amount in the trust account, and that account closed.

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(b) *For those years when twenty seven fortnights are payable:*

Fortnight one: employee is paid one twenty-seventh of the total amount available in the trust account at the date the calculation is made for payment.

Fortnight two: employee is paid one twenty-sixth of the total amount available in the trust account at the date the calculation is made for payment.

Fortnight three: employee is paid one twenty-fifth of the total amount available in the trust account at the date the calculation is made for payment; and

So on in corresponding manner for the remaining fortnights of the deferred salary leave year. In the last fortnight, the employee will be paid the remaining amount in the trust account, and that account closed.

8. APPLICATIONS AND SELECTION

Applications from employees will be called once per year by the public health system entity for participation in the Scheme, to commence during that year. A pro-forma application form that public health entities may adopt or use as the basis of their customised form is at **Attachment A**.

Employees who have been approved to participate in the Scheme will commence their participation in the scheme from a prospective date by agreement between the employee and the public health system entity. The public health system entity shall not unreasonably refuse its agreement to the determination of such date. The deferral of 20% of the participant's salary and payment of the remaining 80% of the participant's salary will commence from the beginning of the first full pay period falling on or after the agreed date of participation in the Scheme

Where an employee approved to participate in the Scheme is placed into another position by way of temporary engagement or secondment (for example, taking up a temporary project position) during the four years when salary is being deferred preceding the Deferred Salary Leave Year, occupancy of such position(s) will not of itself affect, prevent or cease their continued participation in the Scheme.

Where an employee is unable to join the Scheme during the nominated period, they may seek special consideration to enable them to ordinarily join the Scheme outside the nominated period. However, if there are compelling reasons or unforeseen circumstances outside of the nominated period, the public health system entity may give consideration to such affected employee participating in the Scheme without waiting until the next nominated period.

9. LEAVE

9.1 Leave During the Deferred Salary Leave Year

Participants shall not apply for or be granted Annual Leave, Long Service Leave or Sick Leave during the Deferred Salary Leave Year.

Participants may apply for and be granted Maternity, Adoption and Parental Leave during the Deferred Salary Leave Year. The application of these Leave Types is as per those Award provisions and Policy Directives in place from time to time for nursing and midwifery staff employed in the NSW Health Service.

In respect to Maternity or Adoption Leave, if the Deferred Salary Leave Year has not commenced, the participating employee may elect to postpone the commencement of the Deferred Salary Leave Year.

9.2 Leave Before or After the Deferred Salary Leave Year

Participants entitled to Annual Leave or Long Service Leave are able to take such leave immediately preceding or following the Deferred Salary Leave Year, subject to customary approval processes and requirements of their public health system entity.

9.3 Leave During the Working Years Preceding the Deferred Salary Leave Year

The 20% deduction from net salary (gross less tax) will continue during periods of paid leave during the first four years of the employee's participation in the Scheme.

10. SUPERANNUATION

10.1 Members of the State Superannuation Scheme

The Deferred Salary Leave Year has been determined as prescribed leave. The superable salary is deemed to be the participant's full salary for each of the five years they participate in the Scheme. The public health system entity will maintain the participant's employer contributions for the full five year period at the rate applicable to a person earning full salary for each of the five years. Any required personal superannuation contributions of participants are payable at the rate applicable to 100% of salary for each of the five years.

10.2 Members of the State Authorities Superannuation Scheme

The Deferred Salary Leave Year has been determined as prescribed leave. The superable salary is deemed to be 100% of the participant's normal salary for each of the five years they participate in the scheme. The public health system entity will maintain the participant's employer contributions for the full five year period at the rate applicable to a person earning full salary for each of the five

years. Any required personal superannuation contributions of participants are payable at the rate applicable to their full salary for each of the five years.

10.3 Members of Other Complying Funds (eg First State Superannuation, HESTA, HIP)

The public health system entity will cease making employer contributions during the Deferred Salary Leave Year. The superable salary is deemed to be 100% of the participant's normal salary (both deferred and the remaining 80% paid) for each of the first four years, and superannuation employer contributions are calculated on this basis. In the Deferred Salary Leave Year no employer contributions to superannuation are payable for members of these funds.

10.4 Payment of the Participant's Personal Superannuation Contributions

The amount of such required employee contributions is determined by the superannuation scheme/fund to which the participating employee is a member.

During each of the first four years of the Scheme, participants will pay their personal superannuation contributions from the 80% of salary that remains after they have had their deduction of 20% of salary put aside for payment in the deferred salary leave year.

Personal contributions during the Deferred Salary Leave Year are payable at the rate applicable to the participant's full salary.

Participants' personal contributions will be payable at the rate applicable to their full salary for each of the first four years.

In the fifth year, that is the Deferred Salary Leave Year, participants will pay their personal superannuation contributions from the deferred salary that has been put aside during the preceding four years for payment in the Deferred Salary Leave Year.

Participants should seek independent financial advice for the effect on superannuation, and their superannuation obligations through their participation in the Scheme. Participants should also check with the administrator of the superannuation fund(s) to which they belong as to the impact of their participation in the Scheme on insurance cover, etc that may be part of their superannuation scheme.

11. WORKERS' COMPENSATION COVERAGE

During the Deferred Salary Leave Year participants are not covered by the public health system entity's workers' compensation provisions unless working in a position in that public health system entity that is not covered by the *Public Health System Nurses' and Midwives' (State) Award*.

12. SALARY PACKAGING

Participants in the Scheme who salary package can continue to access salary packaging for the first four years while deferring 20% of their salary.

As the net salary is reduced by the value of the salary packaged benefits, Scheme deductions for participants who are also salary packaging will be less than for participants who are not salary packaging.

The trust account will allow the monitoring by an individual, as well as allowing for interest and government statutory charges to be attributed to individual balances.

A statement of earnings detailing interest credited and any charges debited to the participant's trust account will be issued to each participant by the public health system entity on a regular basis. It is the responsibility of each participant to declare those adjustments in their annual taxation return to the Australian Taxation Office.

Unless a participant withdraws from the Scheme, there will be no access to the deferred salary until the Deferred Salary Leave Year is taken.

Salary packaging will not be available for the Deferred Salary Leave Year, as the participant is not in receipt of a salary. It is a participant's responsibility to withdraw from the salary packaging arrangement prior to the commencement of the Deferred Salary Leave Year and in accordance with the required period of notice as set out in the Salary Packaging Policy and Procedure Manual

13. MISCELLANEOUS DEDUCTIONS DURING THE DEFERRED SALARY LEAVE YEAR

During the Deferred Salary Leave Year miscellaneous deductions will not be made by the public health system entity, as the participant draws down the funds in the trust account. The employee is responsible for making their own arrangements for payment of such deductions during the Deferred Salary Leave Year.

14. WORK UNDERTAKEN DURING THE DEFERRED SALARY LEAVE YEAR

14.1 Work Within the NSW Health Service

During the Deferred Salary Leave Year, participants are not permitted to undertake work in the NSW Health Service in positions covered by the Award. However, this does not prevent work in the NSW Health Service in another position not covered by the Award (e.g. Health Manager, Security Officer).

14.2 Work Outside the NSW Health Service

Subject to approval by the public health system entity, an employee may undertake outside employment in the Deferred Salary Leave Year.

Participants who undertake outside employment in the Deferred Salary Leave Year will be subject to the salary, employment conditions, workers' compensation provisions and eligibility for superannuation fund membership benefits applying to that employment and employer.

15. RIGHT OF RETURN

The participant will resume employment in their substantive public health system entity position at the conclusion of their participation in the Scheme, being the anniversary date of commencing the Deferred Salary Leave Year.

16. MAKING CHANGES TO THE DEFERRED SALARY LEAVE YEAR

16.1 The deferred salary leave year

The Deferred Salary Leave Year must be a whole year and would ordinarily commence on the fifth anniversary of participation in the Scheme.

An example of circumstances warranting a delay in commencing the Deferred Salary Leave Year would be when a participant enrolls in a university where the course to be undertaken commences part or a significant way into the Deferred Salary Leave Year as originally scheduled. Any proposed variation/ delay to commencement of the Deferred Salary Leave Year should be subject to discussion between the participant and the public health system entity, with a view to reaching agreement on the actual commencement date of the Deferred Salary Leave Year in a timely manner.

16.2 Suspension, Deferral or Withdrawal From participation

Participants may temporarily suspend or defer participation in the Scheme and resume at a later agreed date. Such agreement for resumption must be reached between the participant and the public health system entity.

Where a participant wishes to withdraw from the Scheme, the withdrawal date will be entered on the pay system and the monies in the trust account paid to the employee.

16.3 Postponing the Deferred Salary Leave Year

Participants may apply to postpone taking the Deferred Salary Leave Year prior to the commencement of the Leave Year. Participants should make this application at least four weeks prior to the commencement of the Leave Year. Where this decision is known earlier than four weeks prior to the commencement of the Leave Year, this should be conveyed to the public health system entity in a timely manner.

The public health system entity will reserve the right to approve or not approve the request in terms of their requirements and the individual participant's circumstances.

A decision on the request to postpone the Deferred Salary Leave Year will be made in consultation with the participant. If a participant cannot proceed to take the Deferred Salary Leave Year, the deferred salary will not be released until such time as the participant commences the leave.

Where a participant postpones their Deferred Salary Leave Year, payment during the fifth year, which would have been the year normally taken as leave, will be at the participant's normal (100%) salary. No deductions equivalent to the 20% of net salary will be set aside.

In exceptional circumstances the public health system entity may need to postpone the participant's Deferred Salary Leave Year. In the small number of cases where postponement may be necessary, the decision will be made in consultation with the participant. Where a participant's Deferred Salary Leave Year is postponed a new Deferred Salary Leave Year will be negotiated with the participant.

17. ENQUIRIES

Any enquiries concerning this Policy Directive should be directed to the relevant human resource personnel in the public health system entity. Only human resource personnel from public health system entities are to contact the Department.

Robert D McGregor AM
A/Director-General

Title: Career Break Scheme for NSW Health Service Nurses and Midwives

**APPLICATION TO PARTICIPATE
IN THE CAREER BREAK SCHEME UNDER THE PUBLIC HEALTH SYSTEM NURSES' AND
MIDWIVES' (STATE) AWARD FOR A DEFERRED SALARY LEAVE YEAR IN [NAME OF
PUBLIC HEALTH SYSTEM ENTITY]**

Family Name: Given Name(s):

Employee Number/Identification Number:

Telephone Numbers: Work: After Hours:

Substantive Nursing/Midwifery position:.....

Location:

Date commenced service:/...../.....

I hereby apply to participate in the *Career Break Scheme* commencing from
.....(specify proposed prospective commencement date).

I understand that my application is not a guarantee of approval to participate in the scheme.

Signature: Date:

RECOMMENDATION

· Recommended · Not Recommended

Comments:
.....
.....
.....

(Attach additional page if necessary.)

Recommending Officer's Name: Signature:

Recommending Officer's position:

APPROVAL

· Application Approved · Application Declined

Reason for decision if application declined:
.....
.....
.....

Approving Officer's Name: Signature:

Approving Officer's position:

(If approved – form to be sent to [public health system entity to identify work area to enable applicant's participation in the Scheme])

A COPY OF THE COMPLETED FORM IS TO BE PROVIDED TO THE APPLICANT