

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2016-17

Finance Portfolio
18 October 2016

Department/Agency: Department of Finance

Outcome/Program: 3/3.1

Topic: Career Transition Payments

Senator: Farrell

Question reference number: F70

Type of question: Written

Date set by the committee for the return of answer: Friday, 2 December 2016

Number of pages: 10

Question:

I have some questions relating to access to career transition payments for the purpose of obtaining financial advice, consistent with clause 73 of the MOP(S) Act staff enterprise agreement.

1. Since 2 July 2016 (election day), how many requests have been made for career transition payments?
2. How many have been approved?
3. How many have been denied?
4. What number of payments have been made to date?
5. How many outstanding requests are there?
6. What is the average time between an individual making a request and payment being approved?
7. What is the average time between a payment being approved and payment being received?
8. What is your performance target for resolution of requests under this clause, that is, how quickly after making a request should an individual expect to receive approval?
9. Would you be surprised if I told you one individual I am aware of has been waiting over three weeks since requesting access to the payment for that request to be approved or denied?
10. Do you agree it would be desirable for people who have lost their jobs to have access to career transition counselling, training or financial advice within reasonable proximity of that event occurring?
11. What action will you take to ensure more timely advice?
12. Can a copy of the standard letter and attachments sent to staff in the event of a genuine redundancy in respect of which severance benefits are payable under clause 71.2 or of a termination of employment where additional severance benefits are payable under clause 72.1 please be provided?

Answer:

1. 18*, noting one application requires additional information from the applicant before it can be considered.
 2. 14*.
 3. 3*.
 4. 9*.
 5. 0*.
- 6 and 7. For the period 2 July to 4 November 2016, the average timing for approval being given to access a career transition payment was approximately 4 days after the request was received. The average timing of receiving payment after accessing the service largely depends on the applicant. Following approval of the request, the Department of Finance does not influence the timing of the applicant accessing the service, nor the timing of the applicant submitting a reimbursement claim.
8. Our performance target is for 90% of all queries to be responded to within one day.
 9. No.
 10. Yes.
 11. The Department of Finance continually reviews processes to improve services and delivery of services.
 12. There is not a single standard letter. The letter sent will differ depending on the role the employing parliamentarian held and the specific circumstances which has led to the termination of employment. Standard information regarding arrangements following the termination of employment where additional severance benefits are payable under clause 72.1 is included in separate attachments for ongoing employees, non-ongoing employees and those employees who are on leave without pay from an Australian Public Service agency. A copy of these attachments are included in Attachment A.

* As at 4 November 2016.

Commonwealth Members of Parliament Staff Enterprise Agreement 2012-2015 (Enterprise Agreement)

Advice on Entitlements for Ongoing MOP(S) Act Employees

The following information is provided to assist employees whose employment is terminated as a result of their employing Senator or Member ceasing to hold office.

1. Travel

Please ensure that all outstanding travelling allowance acquittals are settled prior to cessation. The amount of any outstanding travel acquittals will be withheld from final monies until such time as they are acquitted.

2. Cards and Tokens

At the cessation of employment, your Flight Centre Management (FCm) and Cabcharge cards should be returned to Ministerial and Parliamentary Services (M&PS). If you have been issued a One Office Web Remote Access token, you are required to return it to the Department of Parliamentary Services IT Services as soon as possible. Failure to do so may result in the issue of an invoice for the cost of the token, currently \$94.00.

3. Salary, Leave and Severance Benefits

You will be paid outstanding salary, allowances and annual leave, less any outstanding debts (e.g. travelling allowance), upon separation. If you have a long service leave balance or at least 12 months' eligible service, you will also receive payment in lieu of long service leave.

In addition, you will be entitled to a severance benefit calculated on the length of your continuous service under the MOP(S) Act and, if applicable, any recognised MOP(S) Act equivalent employment with a State or Territory parliamentarian that was immediately prior to employment under the MOP(S) Act. You will not be entitled to a severance benefit if your employment was terminated during your probationary period.

4. Unused Annual Leave

Calculation

Annual leave accrues at the rate of 4 weeks per calendar year, which is equivalent to 150 hours for an eligible full-time employee. Eligible part-time employees accrue a pro rata credit based on their weekly hours (eg. an employee working 20 hours per week would accrue 80 hours leave per calendar year). Periods of leave not to count as service in excess of 30 calendar days per year will reduce an accrual, as will unauthorised absences of at least one day in the accrual year.

On cessation, payment is made for the total unused annual leave accrued up to and including the last day of service. The payment is calculated using your salary on the last day of service, as well as eligible allowances, such as electorate staff allowance (ESA) or parliamentary staff allowance (PSA).

5. Long Service Leave (LSL)

Calculation

LSL accrues at the rate of 9 calendar days per completed year of eligible service. A separate credit accrues for full-time and part-time service. Periods of leave not to count as service in excess of 30 calendar days per year will reduce an accrual, as will unauthorised absences of at least one day.

Ongoing MOP(S) Act Employees

Periods of eligible prior employment may count for LSL purposes where any breaks in service do not exceed 12 months, as long as this prior service has been recognised at the time your employment ceases. Periods of LSL taken and/or paid in lieu are deducted from the credit.

If you cease employment *and* you are eligible for payment in lieu of LSL, the payment is based on the number of completed years and months of eligible service and calculated using your salary on the last day of service (including eligible allowances such as ESA, PSA or the allowance in lieu of a private-plated vehicle, where applicable).

6. Severance Benefits

Calculation

Severance benefits are calculated based on completed years of continuous service under the MOP(S) Act and any recognised service with a State or Territory parliamentarian, as per the following table:

Length of Eligible Service	Severance Benefit
Less than 1 year	4 weeks' pay
1 year or more but less than 2 years	8 weeks' pay
2 years or more but less than 3 years	10 weeks' pay
3 years or more but less than 4 years	12 weeks' pay
4 years or more but less than 5 years	13 weeks' pay
5 years or more but less than 7 years	14 weeks' pay
7 years or more	2 weeks' pay, plus 2 weeks' pay for every completed year, up to maximum 48 weeks' pay.

Previous, non-continuous MOP(S) Act employment does not count for severance purposes.

Periods of leave not to count as service in excess of 30 days per year will reduce your service for severance benefit purposes, as will unauthorised absences of at least one day.

For the purposes of calculating the severance benefit, "pay" includes ESA or PSA if payable at the time of termination of employment. A week's pay is based on the weekly hours being worked as at the date of termination.

Additional Severance Benefits

Where employment is terminated as a result of the Senator or Member ceasing to hold office (in accordance with sub-sections 16(1), 16(2) or 23(1) of the MOP(S) Act), the severance benefit is increased by 30 per cent. This is because termination under the MOP(S) Act due to your employer ceasing to hold office is not considered by the Australian Taxation Office to be a genuine redundancy.

7. Superannuation

You may also be entitled to a superannuation benefit depending on your current superannuation situation:

CSS and PSS members

You will be provided with a benefit claim form. This should be completed as soon as possible and returned to M&PS. We will then complete the "departmental report" section of the form, and forward it to the Commonwealth Superannuation Corporation (CSC) for processing.

Please note that you are not eligible to claim a *redundancy* benefit from the CSS or PSS schemes – it will be the same form of benefit as available on resignation (or, if 55 years old or over, an age retirement benefit).

Ongoing MOP(S) Act Employees

For further information about your benefit, please call CSC on:

1300 000 277 for CSS members; and

1300 000 377 for PSSdb members.

Please make CSC aware that you are a MOP(S) Act employee.

PSSap members

You should call CSC on 1300 725 171 to discuss your options.

Members of other funds

You should contact your fund to discuss your options.

8. Career Transition Payment (CTP)

In recognition of the nature of MOP(S) Act employment, clause 73 of the Enterprise Agreement provides for a payment of up to \$500 (GST inclusive) for career transition counselling, training or financial advice. To be eligible for CTP, the counselling, training or financial advice must have prior approval by contacting the Entitlements Management Branch on 02 6215 3542, and occur within six months of the date of your termination of employment. M&PS will reimburse you the cost of approved counselling, training or financial advice upon the production of receipts, or will make payment directly to the supplier on the provision of an invoice.

9. Re-employment under the MOP(S) Act

If you are re-employed under the MOP(S) Act as an ongoing, non-ongoing or casual employee within the severance pay period (defined as the period of weeks of severance benefits paid to you from the date of cessation of employment), you may be required to make a repayment.

As an example, if you received a severance benefit of 10 weeks' pay on termination of employment and you are re-employed under the MOP(S) Act after a period of six weeks, you are required to repay four weeks of the severance benefit.

This applies even if the period of employment is for a shorter period than the remaining severance period, for example, where a person is re-employed under a non-ongoing or casual employment agreement for a period of two weeks but they have six weeks remaining in their severance pay period, they will be required to repay two weeks of the severance benefit.

The repayment of any severance benefit, or part thereof, is based on the classification, salary and allowances (if applicable) you received when your employment ceased, i.e. not the classification, salary and allowances of the subsequent employment.

If you are re-employed under the MOP(S) Act within six months of the termination of your employment, you may elect to repay to M&PS all monies received in lieu of leave as well as the severance benefit (including additional severance benefit). If you do so within 60 days of your recommencement, leave balances from your previous service will be restored and your previous service will count for all purposes, including leave accrual and severance pay entitlements. The break in service will not count as service for any purpose but is not considered to break continuity of service.

10. Private-Plated Vehicle

Senior personal employees who have been issued with a private-plated vehicle should return the vehicle to the relevant State Manager prior to cessation.

11. Payment of final entitlements

You will be paid your outstanding salary, allowances and leave, less recovery of any outstanding debts such as travelling allowance or motor vehicle allowance, as soon as possible following your cessation.

Ongoing MOP(S) Act Employees

This generally occurs within two weeks of cessation. It may be necessary, however, to pay outstanding salary on one payday and other final entitlements within two weeks of that payday. To ensure that you are paid promptly, please arrange to complete and forward any outstanding documentation (e.g. travelling allowance acquittals) as soon as possible.

Your final entitlements will be paid to the account used for your normal fortnightly pay. If you wish your final entitlements to be paid into a different account (noting that severance benefits are classed by the Australian Tax Office as an Employment Termination Payment and cannot be rolled-over into a superannuation fund), please provide written advice to the Staff Help Desk. It is also important to advise the Staff Help Desk if you are contemplating closing your account prior to the payment of all of your final monies.

Commonwealth Members of Parliament Staff Enterprise Agreement 2012-2015 **(Enterprise Agreement)**

Advice on Entitlements for Non-ongoing MOP(S) Act Employees

The following information is provided to assist employees whose employment is terminated as a result of their employing Senator or Member ceasing to hold office.

1. Travel

Please ensure that all outstanding travelling allowance acquittals are settled prior to cessation. The amount of any outstanding travel acquittals will be withheld from final monies until such time as they are acquitted.

2. Cards and Tokens

At the cessation of employment, your Flight Centre Management (FCm) and Cabcharge cards should be returned to Ministerial and Parliamentary Services (M&PS). If you have been issued a One Office Web Remote Access token, you are required to return it to the Department of Parliamentary Services IT Services as soon as possible. Failure to do so may result in the issue of an invoice for the cost of the token, currently \$94.00.

3. Salary and Leave

You will be paid your outstanding salary, allowances and unused annual leave, less recovery of any outstanding debts such as travelling allowance, upon separation. Provided you have a long service leave balance or at least 12 months of eligible service, you may also receive payment in lieu of long service leave.

4. Unused Annual Leave

Calculation

Annual leave accrues at the rate of 4 weeks per calendar year, which is equivalent to 150 hours for an eligible full-time employee. Eligible part-time employees accrue a pro rata credit based on their weekly hours (e.g. an employee working 20 hours per week would accrue 80 hours leave per calendar year). Periods of leave not to count as service in excess of 30 calendar days per year will reduce an accrual, as will unauthorised absences of at least one day in the accrual year.

On cessation, payment is made for the total unused annual leave accrued up to and including the last day of service. The payment is calculated using your salary on the last day of service, as well as eligible allowances, such as electorate staff allowance (ESA) or parliamentary staff allowance (PSA).

5. Long Service Leave (LSL)

Calculation

LSL accrues at the rate of 9 calendar days per completed year of eligible service. A separate credit accrues for full-time and part-time service. Periods of leave not to count as service in excess of 30 calendar days per year will reduce an accrual, as will unauthorised absences of at least one day.

Periods of eligible prior employment may count for LSL purposes where any breaks in service do not exceed 12 months, as long as this prior service has been recognised at the time your employment ceases. Periods of LSL taken and/or paid in lieu are deducted from the credit.

If you cease employment *and* you are eligible for payment in lieu of LSL, the payment is based on the number of completed years and months of eligible service and calculated using your salary on the last

Non-ongoing MOP(S) Act Employees

day of service (including eligible allowances such as ESA, PSA or the allowance in lieu of a private-plated vehicle, where applicable).

6. Superannuation

You may also be entitled to a superannuation benefit depending on your current superannuation situation:

CSS and PSS members

You will be provided with a benefit claim form. This should be completed as soon as possible and returned to M&PS. We will then complete the “departmental report” section of the form, and forward it to ComSuper for processing.

Please note that you are not eligible to claim a *redundancy* benefit from the CSS or PSS schemes – it will be the same form of benefit as available on resignation (or, if 55 years old or over, an age retirement benefit).

For further information about your benefit, please call the Commonwealth Superannuation Corporation (CSC) on:

1300 000 277 for CSS members; and
1300 000 377 for PSSdb members.

Please make CSC aware that you are a MOP(S) Act employee.

PSSap members

You should call CSC on 1300 725 171 to discuss your options.

Members of other funds

You should contact your fund to discuss your options.

7. Re-employment under the MOP(S) Act

If you are re-employed under the MOP(S) Act within six months of the termination of your employment, you may elect to repay to M&PS all monies received in lieu of leave. If you do so within 60 days of your recommencement, leave balances from your previous service will be restored and your previous service will count for all purposes, including leave accrual and severance pay entitlements. The break in service will not count as service for any purpose, but is not considered to break continuity of service.

8. Private-Plated Vehicle

Senior personal employees who have been issued with a private-plated vehicle should return the vehicle to the relevant State Manager prior to cessation.

9. Payment of final entitlements

You will be paid your outstanding salary, allowances and leave, less recovery of any outstanding debts such as travelling allowance or motor vehicle allowance, as soon as possible following your cessation. This generally occurs within two weeks of cessation, it may be necessary, however, to pay outstanding salary on one payday and other final entitlements within two weeks of that payday. To ensure that you are paid promptly, please arrange to complete and forward any outstanding documentation (e.g. travelling allowance acquittals) as soon as possible.

Your final entitlements will be paid to the account used for your normal fortnightly pay. If you wish your final entitlements to be paid into a different account (noting that severance benefits are classed by the Australian Tax Office as an Employment Termination Payment and cannot be rolled-over into a superannuation fund), please provide written advice to the Staff Help Desk. It is also important to

Non-ongoing MOP(S) Act Employees

advise the Staff Help Desk if you are contemplating closing your account prior to the payment of all of your final monies.

Public Sector Employees engaged as MOP(S) Act Employees

Commonwealth Members of Parliament Staff Enterprise Agreement 2012-2015 (EA)

Advice on Entitlements for Ongoing MOP(S) Act Employees who are on leave from a Public Sector Agency

The following information applies to employees of the Australian Public Service, the Public Service of a State or Territory, or any other public sector employer from which they are on leave to undertake MOP(S) Act employment.

1. Return to Public Sector Employment

You should give notice in writing to your Agency Head of your intention to return to your public sector department as soon as you are notified that your employment under the MOP(S) Act will be terminated. M&PS requires notification of the proposed date of your return to your public sector department so arrangements can be made concerning the forwarding of relevant employment records.

2. Entitlements

If you are an ongoing public sector employee on leave to undertake MOP(S) Act employment, you are not eligible for severance pay, additional severance benefits or the career transition payment under the Enterprise Agreement. Accrued annual leave will not be paid out where it is recognised by your public sector department on your return.

3. Cards and Tokens

At the cessation of employment, your Flight Centre Management (FCm) and Cabcharge cards should be returned to Ministerial and Parliamentary Services (M&PS). If you have been issued a One Office Web Remote Access token, you are required to return it to DPS IT Services as soon as possible. Failure to do so may result in the issue of an invoice for the cost of the token, currently \$94.00.

4. Resignation from Public Sector Employment

If you have resigned, or intend to resign from your public sector department, the resignation must take effect before the termination of your MOP(S) Act employment. M&PS requires a copy of your resignation before your termination payments will be actioned.
