

*Victorian Catholic Education Multi Enterprise
Agreement 2013*

Implementation Guide for Schools

**Part 5D: Guidelines for calculation for pro rata school holiday
pay and annual leave loading**

2018 School Year

January 2018

1. Background

The purpose of this guideline is to provide information to schools in relation to the calculation of pro-rata school holiday pay and leave loading in relation to employees covered by the [Victorian Catholic Education Multi Enterprise Agreement 2013 \(VCEMEA 2013\)](#) for the 2018 school year.

The relevant clauses of the **VCEMEA 2013** are as follows:

Entitlement	Clause
School holiday pay	25.5
Pro-rata school holiday pay	25.6
Variation of hours or nature of employment	25.7
Leave loading	25.8

2. 2018 school year – term weeks / non-term weeks

For each school year the number of term weeks and non-term weeks may vary.

The following table sets out the term dates for the 2018 school year.

Term	Dates	Term Weeks	Non Term Weeks
1	29 January – 29 March 2018	8.8	2.2
2	16 April – 29 June 2018	11.0	2.0
3	16 July – 21 September 2018	10.0	2.0
4	8 October – 21 December 2018	11.0	5.2
Total Weeks		40.8	11.4

Note that the 2018 school year commences on 29 January 2018 and concludes on 28 January 2019.

3. Annual leave loading

The entitlement to annual leave loading is set out in clause 25.8 of the VCMEA 2013.

3.1 When is annual leave loading paid?

Annual leave loading is paid:

- (i) At the time of termination of an employee's employment
- (ii) In all other cases, no later than the last two working weeks of the school year (10 December to 21 December 2018).

3.2 Category A employees

(i) Full payment of annual leave loading

A category A employee who has an entitlement to 4 weeks of annual leave is entitled to the full amount of annual leave loading which is calculated as follows:

$$\text{Annual leave loading} = 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

Where the employee's rate of pay is the employee's rate of pay on 1 December 2018.

(ii) Pro-rata payment of annual leave loading

A category A employee who does not have an entitlement to 4 weeks of annual leave is entitled to a pro-rata payment of annual leave loading which is calculated as follows:

$$\text{Annual leave loading} = (N \div 48) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

N = the number of weeks worked.

Where the employee's rate of pay is the employee's rate of pay on 1 December 2018 or date of termination.

3.3 Employees eligible for school holiday pay

The following employees are eligible for school holiday pay:

- Primary Principal
- Deputy Principal
- Teacher
- Category B Education Support Employee
- Category B School Services Officer.

(i) Full payment of annual leave loading

An employee who has an entitlement to school holiday pay is entitled to the full amount of annual leave loading which is calculated as follows:

$$\text{Annual leave loading} = 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

Where the employee's rate of pay is the employee's rate of pay on 1 December 2018.

(ii) Pro-rata payment of annual leave loading

An employee who has an entitlement to pro-rata school holiday pay is entitled to a pro-rata payment of annual leave loading which is calculated as follows:

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W = the number of term weeks worked by the employee in the 2018 school year.

Where the employee's rate of pay is the employee's rate of pay on 1 December 2018 or date of termination.

Examples of the calculation of annual leave loading are provided in *Attachment 1*.

3.4 Category C employees

(i) Full payment of annual leave loading

A category C employee who has an entitlement to 7 weeks of school holiday pay is entitled to the full amount of annual leave loading which is calculated as follows:

$$\text{Annual leave loading} = 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

Where the employee's rate of pay is the employee's rate of pay on 1 December 2018

(ii) Pro-rata payment of annual leave loading

A category C employee who does not have an entitlement to 7 weeks of school holiday pay is entitled to a pro-rata payment of annual leave loading which is calculated as follows:

$$\text{Annual leave loading} = (N \div 45) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

N = the number of weeks worked.

Where the employee's rate of pay is the employee's rate of pay on 1 December 2018 or date of termination.

4. Calculating pro rata school holiday pay

4.1 Entitlement to pro-rata school holiday pay

The calculation of pro-rata school holiday pay applies to the following types of school employees:

- (i) Primary Principal
- (ii) Deputy Principal
- (iii) Teacher
- (iv) Category B Education Support Employee
- (v) Category B School Services Officer.

An employee will have an entitlement to pro-rata school holiday pay in one or more of the following circumstances:

- (i) The employee commences employment after the start of school year
- (ii) The employee ceases employment before the end of the school year
- (iii) The employee has more than 15 days of Leave Without Pay (LWOP) in a school year
- (iv) Employee changes time fraction during the school year.

Note that (i) and (ii) do not apply where an employee changes schools and maintains continuity of service.

For example an employee works in a Victorian Catholic school for terms 1 and 2 and is employed in another Victorian Catholic school at the same time fraction for terms 3 and 4 without a break in service then the employee will be paid for all of the school holidays and pro-rata school holiday pay does not apply.

4.2 How is pro rata school holiday pay calculated?

Pro-rata school holiday pay is calculated using the following formula:

$$P = \frac{S \times C}{B} - D$$

	Explanation	Notes
P	is the payment due	Pro-rata school holiday payment
S	is the total salary paid in respect of term weeks	See note below
C	is the number of non-term weeks in the 2018 school year	11.4 weeks
B	is the number of term weeks in the 2018 school year	40.8 weeks
D	is the total salary already paid in school holidays	

Note

Total salary paid means the *ordinary rate of pay* as defined by clause 5(m) of the VCMEA 2013:

(m)“Ordinary rate of pay” means the current weekly rate for an employee as prescribed in this Agreement plus:

- (i) any regular weekly over-Agreement payments;
- (ii) any position of leadership allowance which is paid on a regular and continuing basis;
- (iii) any penalties or allowances in the nature of salary;

but does not include:

- (i) any overtime;
- (ii) any travel allowance;
- (iii) any other allowances that are not in the nature of salary.

For the avoidance of doubt, where an employee elects to access salary packaging provided by the employer, the employee’s ordinary rate of pay for the purposes of this Appendix will be determined as if the salary packaging arrangements had not occurred.

The following table sets out in more detail the types of payment including the references to the relevant clause in the VCMEA 2013 where applicable that should be included in the calculation of pro-rata school holiday pay.

Include these payments	Clause	Do not include these payments	Clause
Annual leave loading	25.8	Additional hour payments	55.2
Fortnightly salary		Meal allowance	47.2
POL allowances	58	Any employee reimbursements	
Deputy principal category B allowance	Appendix 5 cl 1.4(c)	Travel allowance payments	47.1
Higher duties allowances	44, 54.3(h), 61.1	Lump sum bonus payment	49
Medical support allowances	47.4	Redundancy payments	Appendix 2 1.4
Graduate teacher payment	51	Separation payments	15.2(b)
Tool allowance	47.3	On call / recall allowance SSO	68.8
Shift penalties	68.6	Category B re-call allowance	25.9
Broken shift penalty	68.7	Overtime payments	65.5, 68.4

4.3 Examples of pro-rata school holiday pay calculation

Examples of the calculation of pro-rata school holiday pay are provided in *Attachment 1* in relation to common scenarios.

4.4 Paid parental leave

Where an employee has paid parental leave during the school year then this leave should be included in the calculations of pro rata school holiday pay and annual leave loading.

Example 7 provides an illustration of the calculation.

Note that weeks worked may exceed 14 weeks due to the inclusion of public holidays that may occur during the period of paid parental leave.

In accordance with Clause 3.13 of 2017 Memorandum of Understanding dated 8 October 2017, an employee may elect to receive their parental leave payments at half pay. If an employee elects to take parental leave at half pay, the employee will receive the same payment as if the employee had received parental leave at full pay including any applicable pro-rata school holiday pay and annual leave loading.

If you are required to calculate a pro rata school holiday pay calculation, use the same formula as in Example 7 as if the employee received full pay. Therefore, the employee receives the same amount of pro rata school holiday pay as they would have received if they had taken full pay parental leave.

4.5 Keeping in touch days - [Clause 15(9)(10), Appendix 1]

An employee who is on paid parental leave may return to work during leave for the occasional day or short period to 'keep in touch' with their employer. Such keeping in touch days require the consent of both the employee and employer.

The employee is entitled to be paid their usual rate and the work counts as service and therefore pro rata school holiday pay / annual leave and leave loading applies for the days worked.

Example 8 provides an illustration of the calculation.

4.6 Paid work during parental leave - [Clause 15(2), Appendix 1]

An employee on unpaid parental leave can work during parental leave for their employer or another employer on a temporary basis, without constituting a return to work from parental leave. In such circumstances, the employee is entitled to be paid their usual rate and the work counts as service.

Therefore there will be an entitlement to pro rata school holiday pay / annual leave and leave loading applies for the days worked.

For example, a teacher on parental leave may return to work as a casual relieving teacher for one term before resuming the remainder of their parental leave.

Example 11 provides an illustration of the calculation.

5. Unexpected circumstances – Long Service Leave (half pay)

Unexpected circumstances may arise when employees take an entitlement to Long Service Leave (LSL) at half pay in conjunction with leave without pay (LWOP).

In accordance with [Implementation Issues – Half Pay Long Service Leave](#), entitlements to public holidays, school holiday pay and annual leave loading that fall during periods of LSL at half pay are paid at the employee's ordinary rate of pay (substantive time fraction).

Annual leave loading should be paid at the employee’s substantive time fraction and not the LSL at half pay salary.

Where pro rata school holiday pay arises then the following formula should be used to determine the employee’s pro rata school holiday pay:

$$P = \frac{S \times C}{B} - D$$

	Explanation	Notes
P	is the payment due	Pro-rata school holiday payment
S	is the total salary paid in respect of term weeks	See note below
C	is the number of non-term weeks in the 2018 school year	11.4 weeks
B	is the number of term weeks in the 2018 school year	40.8 weeks
D	is the total salary already paid in school holidays	

Where the employee has been paid their substantive salary during school holidays (terms 1, 2 or 3), then at the end of the school year an over payment may arise when the pro rata school holiday pay is determined. This can be avoided if the employee elects to continue the half pay LSL payments during school holidays.

Example 12 of this Implementation Guide provides an example of how this situation may occur and advice in relation to the avoidance of the overpayment.

Note this situation may only arise where LWOP of 15 or more days is taken in conjunction with half pay LSL.

Further queries and information

Any queries in relation to the implementation of the VCEMEA 2013 should be directed to the Industrial Relations Unit on (03) 9267 0431 or by email on ceoir@cem.edu.au.

Attachment 1 – Examples of pro-rata school holiday pay calculations

- | | |
|------------|--------------------------------------------------------------------------------------------------|
| Example 1 | Employee resigns during the school year |
| Example 2 | Employee works part of the school year |
| Example 3 | Employee commences employment during the school year |
| Example 4 | Employee changes time fraction during the school year |
| Example 5 | Employee has more than 15 days of LWOP |
| Example 6 | Employee changes time fraction during the school year and has 10 days of LWOP |
| Example 7 | Employee commences parental leave at the start of term 1 |
| Example 8 | Employee on parental leave has 4 keeping in touch days during 2018 |
| Example 9 | Employee on parental leave works for term 2 |
| Example 10 | Employee on parental leave completes 20 days of working during leave and 2 keeping in touch days |
| Example 11 | Employee has two terms of Long Service Leave (half pay) and two terms of LWOP |

Example 1 Employee resigns during the school year

- A full time T1-5 teacher resumes employment at the start of the school year.
- The teacher resigns from their employment effective from 4 March 2018.
- The teacher has not received any pay during school holidays.
- The teacher does not receive any allowances.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
29 January 2018	1.0	T1-5	\$75,618

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	5.0
Employee's weekly rate of pay at date of termination	\$1,449.18
Annual leave loading payment	\$124.32

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$7,245.90	\$0
2	\$0	\$0
3	\$0	\$0
4	\$0	\$0
Leave Loading	\$124.32	\$0
Total	\$7,370.22	\$0

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$7,370.22
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$0
P	is the payment due	\$2,059.33

The teacher should receive a pro-rata school holiday payment of **\$2,059.33** at the end of their employment, plus a leave loading payment of **\$124.32**.

Example 2 Employee works part of the school year

- A full time T1-5 teacher is employed for terms 1 and 2 only.
- The teacher is paid in full for each of the term 1 and term 2 school holidays.
- The teacher does not receive any allowances.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
30 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	19.8
Employee's weekly rate of pay at date of termination	\$1,525.18
Annual leave loading payment	\$518.11

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$12,752.78	\$3,231.70
2	\$16,657.63	\$3,050.36
3	\$0	\$0
4	\$0	\$0
Leave Loading	\$518.11	\$0
Total	\$29,928.52	\$6,282.06

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$29,928.52
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$6,282.06
P	is the payment due	\$2,080.32

The teacher should receive a pro-rata school holiday payment of \$2,080.32 at the end of their employment, plus a leave loading payment of \$518.11. Payments have already been made for the term 1 and term 2 school holidays.

Example 3 Employee commences employment during the school year

- A full time teacher commences employment on 5 March 2018 and works for the remainder of the school year.
- The teacher's commencement salary is at T1-5 and increments to T2-1 on 1 May 2018.
- The teacher is paid for the term 1, 2 and 3 school holidays.
- The teacher does not receive any allowances.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
5 March 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
1 October 2018	1.0	T2-1	\$80,977

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2017 school year	35.8
Employee's weekly rate of pay at 1 December 2018	\$1,551.88
Annual leave loading payment	\$953.19

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$5,506.87	\$3,231.70
2	\$16,657.63	\$3,050.36
3	\$15,251.82	\$3,077.06
4	\$17,070.66	\$0.00
Leave Loading	\$953.19	
Total	\$55,440.17	\$9,359.12

The pro-rata school holiday payment (P) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$55,440.17
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$9,359.12
P	is the payment due	\$6,131.52

The teacher should receive a pro-rata school holiday payment of \$6,131.52 during the term 4 school holidays, plus a leave loading payment of \$953.19. Payments have already been made for the term 1, 2 and 3 school holidays.

Example 4 Employee changes time fraction during the school year

- A full time teacher is employed on a full time basis for terms 1, 2 and 3 and at 0.5 FTE for term 4.
- The teacher's commencement salary is at T1-5 and increments to T2-1 on 1 May 2018.
- The teacher is paid for the term 1, 2 and 3 school holidays.
- The teacher does not receive any allowances.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
29 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
9 October 2018	0.5	T2-1	\$40,488.50

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2017 school year	40.8
Employee's weekly rate of pay at 1 December 2018	\$775.94
Annual leave loading payment	\$543.16

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$12,752.78	\$3,231.70
2	\$16,657.63	\$3,050.36
3	\$15,251.82	\$3,077.06
4	\$8,535.34	\$0.00
Leave Loading	\$543.16	
Total	\$53,740.72	\$9,359.12

The pro-rata school holiday payment (P) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$53,740.72
C	is the number of non-term weeks in the 2017 school year	11.4
B	is the number of term weeks in the 2017 school year	40.8
D	is the total salary already paid in school holidays	\$9,359.12
P	is the payment due	\$5,656.67

The teacher should receive a pro-rata school holiday payment of \$5,656.67 during the term 4 school holidays, plus a leave loading payment of \$543.16. Payments have already been made for the term 1, 2 and 3 school holidays.

Example 5 Employee has more than 15 days of LWOP

- A full time teacher is employed on a full time basis for the whole school year.
- The employee is granted LWOP for term 4.
- The teacher's salary at the start of the 2018 school year is at T1-5 and increments to T2-1 on 1 May 2018.
- The teacher is paid for the term 1, 2 and 3 school holidays.
- The teacher does not receive any allowances.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
29 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
1 October 2018	1.0	T2-1	\$80,977

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	29.8
Employee's weekly rate of pay at 1 December 2018	\$1,551.88
Annual leave loading payment	\$793.44

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$12,752.78	\$3,231.70
2	\$16,657.63	\$3,050.36
3	\$15,251.82	\$3,077.06
4	\$0.00	\$0.00
Leave Loading	\$793.44	
Total	\$45,455.67	\$9,359.12

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$45,455.67
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$9,359.12
P	is the payment due	\$3,341.73

The teacher should receive a pro-rata school holiday payment of \$3,341.73 during the term 4 school holidays, plus a leave loading payment of \$793.44. Payments have already been made for the term 1, 2 and 3 school holidays.

Example 6 Employee changes time fraction during the school year and has 10 days of LWOP

- A full time teacher is employed on a full time basis for terms 1, 2 and 3 and at 0.5 FTE for term 4.
- The teacher's commencement salary is at T1-5 and increments to T2-1 on 1 May 2018.
- The teacher is paid for the term 1, 2 and 3 school holidays.
- The teacher has 10 days of leave without pay at the start of term 4.
- The teacher does not receive any allowances.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
29 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
8 October 2017	0.5	T2-1	\$40,488.50

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2017 school year	38.8
Employee's weekly rate of pay at 1 December 2017	\$775.94
Annual leave loading payment	\$516.53

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$12,752.78	\$3,231.70
2	\$16,657.63	\$3,050.36
3	\$15,251.82	\$3,077.06
4	\$6,983.45	\$0.00
Leave Loading	\$516.53	
Total	\$52,162.21	\$9,359.12

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$52,162.21
C	is the number of non-term weeks in the 2017 school year	11.4
B	is the number of term weeks in the 2017 school year	40.8
D	is the total salary already paid in school holidays	\$9,359.12
P	is the payment due	\$5,215.61

The teacher should receive a pro-rata school holiday payment of \$5,215.61 during the term 4 school holidays, plus a leave loading payment of \$516.53. Payments have already been made for the term 1, 2 and 3 school holidays.

Example 7 Employee commences parental leave at the start of term 1

- A full time T1-5 teacher commences paid parental leave from the start of the 2018 school year.
- The paid parental leave ceases on 23 May 2018.
- The teacher remains on parental leave for all of the 2018 school year (unpaid leave from 24 May 2018).
- The teacher's salary is at T1-5 at the start of the 2018 school year and increments to T2-1 on 1 May 2018.
- The teacher is paid for the term 1 school holidays and public holidays during the period of paid parental leave.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
29 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
1 October 2018	1.0	T2-1	\$80,977

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	14.4
Employee's weekly rate of pay at 1 December 2018	\$1,551.88
Annual leave loading payment	\$383.41

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$12,752.78	\$3,231.70
2	\$8,237.21	\$0.00
3	\$0.00	\$0.00
4	\$0.00	\$0.00
Leave Loading	\$383.41	
Total	\$21,373.40	\$3,231.70

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$21,373.40
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$3,231.70
P	is the payment due	\$2,740.28

The teacher should receive a pro-rata school holiday payment of \$2,740.28 for the 2018 school year, plus a leave loading payment of \$383.41

Example 8 Employee on parental leave has 4 keeping in touch days during 2018

- A full time T1-5 teacher is on unpaid paid parental leave at the start of the 2018 school year.
- The teacher has one keeping in touch day in each of the four terms that is 4 keeping in touch days during the school year.
- The teacher's salary is at T1-5

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
30 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
1 October 2018	1.0	T2-1	\$80,977

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	0.8
Employee's weekly rate of pay at 1 December 2018	\$1551.88
Annual leave loading payment	\$21.30

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$289.84	\$0.00
2	\$305.04	\$0.00
3	\$305.04	\$0.00
4	\$310.38	\$0.00
Leave Loading	\$21.30	
Total	\$1,231.60	\$0.00

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$1,231.60
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$0.00
P	is the payment due	\$344.12

The teacher should receive a pro-rata school holiday payment of \$344.12 for the 2018 school year, plus a leave loading payment of \$21.30.

Example 9 Employee on parental leave works for term 2

- A T1-5 teacher is on parental leave.
- The teacher works full time during term 2 for their employer.
- The teacher is paid in full for the term 2 school holidays.
- The teacher's salary at the start of the 2018 school year is at T1-5 and increments to T2-1 on 1 May 2018.

The following table provides details of the teacher's salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
27 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
1 October 2018	1.0	T2-1	\$80,977

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	11
Employee's weekly rate of pay at 1 December 2018	\$1,551.88
Annual leave loading payment	\$292.88

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$0	\$0
2	\$16,657.63	\$3050.36
3	\$0	\$0
4	\$0	\$0
Leave Loading	\$292.88	\$0
Total	\$16,950.51	\$3,050.36

The pro-rata school holiday payment (**P**) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$16,950.51
C	is the number of non-term weeks in the 2017 school year	11.4
B	is the number of term weeks in the 2017 school year	40.8
D	is the total salary already paid in school holidays	\$3,050.36
P	is the payment due	\$1,685.81

The teacher should receive a pro-rata school holiday payment of \$1,685.81, plus a leave loading payment of \$292.88. Payments have already been made for the term 2 school holidays.

Example 10 *Employee on parental leave completes 20 days of working during leave and 2 keeping in touch days*

Any pro-rata school holiday pay and leave loading calculations **MUST** include keeping in touch days and other work undertaken during unpaid parental leave.

- A full time teacher is on paid parental leave for the first 20 days of Term 1 ie until 23 February 2018.
- From 26 February 2018, the employee commences unpaid parental leave.
- From the start of term 3, the teacher undertakes 20 days as a replacement for a full time teacher on long service leave days
- During term 4, the teacher completes 2 Keeping in Touch days.

The following table provides details of the teacher's full time salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary	Days of Service
29 January – 23 February 2018	1.0	T1-5	\$75,618	20
1 April 2018	1.0	T1-5	\$76,753	
1 May 2018 2018	1.0	T2-1	\$79,584	
16 July – 10 August 2018	1.0	T2-1	\$79,584	20
Term 4 (2 Keeping in touch days)	1.0	T2-1	\$80,977	2

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2018 school year	8.4
Employee's weekly rate of pay at 1 December 2018	\$1,551.88
Annual leave loading payment	\$223.65

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$5,796.72	\$0
2	\$0.00	\$0
3	\$6,100.72	\$0
4	\$620.75	\$0
Leave Loading	\$223.65	\$0
Total	\$12,741.84	\$0

The pro-rata school holiday payment (P) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$12,741.84
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$0
P	is the payment due	\$3,560.22

The teacher should receive a pro-rata school holiday payment of \$3,560.22 at the end of the school year, plus a leave loading payment of \$223.65.

Example 11 Employee has two terms of Long Service Leave (half pay) and two terms of LWOP

- A full time teacher is employed on a full time basis for the whole school year.
- During term 1, the employee takes LWOP.
- During terms 2 and 3 the employee takes Long Service Leave at half pay.
- During term 4, the employee takes LWOP.
- The teacher is paid for the term 2 and 3 school holidays at the full time rate of pay.
- The teacher does not receive any allowances.

The following table provides details of the teacher’s full time salary which also includes incremental progression.

Date	Time Fraction	Classification	Annual Salary
29 January 2018	1.0	T1-5	\$75,618
1 April 2018	1.0	T1-5	\$76,753
1 May 2018	1.0	T2-1	\$79,584
1 October 2018	1.0	T2-1	\$80,977

Pro-rata annual leave loading

$$\text{Annual leave loading} = (W \div 40.8) \times 4 \times 17.5\% \times \text{Employee's weekly rate of pay}$$

W is the number of term weeks worked by the employee in the 2017 school year	21
Employee’s weekly rate of pay at 1 December 2018	\$1551.88
Annual leave loading payment	\$559.13

Annual leave loading should be paid at the employee’s substantive time fraction and not the salary at half pay LSL salary.

Pro-rata school holiday pay

The payments made to the teacher during term and non-term weeks are provided in the table below.

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$0	\$0
2	\$8,328.82	\$3,050.36
3	\$7,625.91	\$3,077.06
4	\$0	\$0
Leave Loading	\$559.13	\$0
Total	\$16,513.86	\$6,127.42

The pro-rata school holiday payment (P) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$16,513.86
C	is the number of non-term weeks in the 2018 school year	11.4
B	is the number of term weeks in the 2018 school year	40.8
D	is the total salary already paid in school holidays	\$6,127.42
P	is the payment due	-\$1,513.25

The teacher has an overpayment of **\$1,513.25** and will need to repay this amount. In addition, no school holiday pay will be received over the term 4 school holidays.

Please Note- If an overpayment occurs schools need to ensure that they comply with clause 39.3 of the VCMEA which requires the employer to consult and discuss with the employee about an agreed repayment arrangement prior to any deduction being made to the employee's wage.

Option to address overpayment

- Consult and explain the issue to the employee prior to the start of LSL
- **The employee may elect to take school holiday pay (during terms 2 and 3) at half pay**
- By continuing the salary payments at the half pay LSL rate during the terms 2 and 3 school holidays the employee will not have an overpayment issue at the end of the school year and will receive a pro rata payment for the term 4 school holidays.
- Note – there is no change to the annual leave loading payment.

If the teacher elects to continue with half pay LSL during the terms 2 and 3 school holidays, the payments made to the teacher during term and non-term weeks are provided in the table below:

Term	Salary Term Weeks	Salary Non-Term Weeks
1	\$0.00	\$0
2	\$8,328.82	\$1,525.18
3	\$7,625.91	\$1,538.53
4	\$0.00	\$0
Leave Loading	\$559.13	\$0
Total	\$16,513.86	\$3,063.71

The pro-rata school holiday payment (P) is determined by the following formula:

$$P = \frac{S \times C}{B} - D$$

S	is the total salary paid in respect of term weeks	\$16,513.86
C	is the number of non-term weeks in the 2017 school year	11.4
B	is the number of term weeks in the 2017 school year	40.8
D	is the total salary already paid in school holidays	\$3,063.71
P	is the payment due	\$1,550.46

The teacher should receive a pro-rata school holiday payment of **\$1,550.46** during the term 4 school holidays, plus a leave loading payment of **\$559.13**. Payments have already been made for the term 2 and 3 school holidays.