**Purchased leave and deferred salary schemes**

*This fact sheet is to be read in conjunction with the* [*Purchased leave and deferred salary scheme procedure*](https://ppr.mpe.qed.qld.gov.au/pp/purchased-leave-and-deferred-salary-scheme-procedure)*.*

**What is purchased leave?**

The **purchased leave** scheme enables eligible non-teaching employees to take up to six weeks unpaid leave during a 12 month period. This leave is in addition to their usual paid leave entitlements.

***HR Fact sheet: Purchased leave and deferred salary schemes***

Although the additional leave is unpaid, this process allows the employee to be paid a regular ‘salary’ during the period of unpaid additional leave. This is made possible by the employee having deductions made to their net salary (after tax and superannuation have been paid) over a period of 12 months. Fortnightly deductions commence in the first full pay period of the arrangement and continue for 26 fortnights.

The total amount deducted over the 12 month period is then paid to the employee in salary-like increments during the unpaid period of leave.

**What do I need to know before I apply?**

* Purchased leave may be taken in conjunction with other types of leave (e.g. recreation leave, long service leave or parental leave).
* Purchased leave cannot be taken at half pay but does not affect periods of other leave taken at half pay.
* Employees are not entitled to access sick leave while on purchased leave except if they become ill:
  + - before commencing purchased leave and submit a medical certificate before commencement of the purchased leave period; or
    - after commencing purchased leave period and submit a medical certificate and the period of illness is at least one calendar week.
* Public holidays within a purchased leave period will be considered to be part of the purchased leave. Additional days are not added at the end of purchased leave to account for public holidays within that period.
* Employees who have a current purchased leave agreement with their substantive agency are required to negotiate a new agreement with this department.

**What is the deferred salary scheme?**

It enables teachers to take extended special leave without pay (sabbatical leave) for a 12 month period.

The scheme takes place over a five year period. Teachers have a portion of their salary set aside (‘deferred monies’) for the first four years, and then receive that money back in salary-like increments during the unpaid fifth (sabbatical) year. The amount set aside is equivalent to 20% of the teacher’s net salary (after has been paid) during the first four years of the five year period. Tax and superannuation are calculated on 100% of award salary.

For further information, contact:

**Integrity and Employee Relations**

[WorkforceRelations.HUMANRES@qed.qld.gov.au](mailto:WorkforceRelations.HUMANRES@qed.qld.gov.au)

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**How does the deferred salary scheme work?**

Employees who have been approved to participate in the scheme will commence their deductions from either:

* Semester 1 (i.e. the pay cycle which includes the first student free day of the year) or;
* Semester 2 (i.e. the first pay cycle in the new Financial Year)

Repayments during sabbatical year will commence from the first full pay cycle of semester 1 (regardless of whether employees entered the scheme during semester 1 or 2, as the sabbatical year must be taken as a full calendar year) with return  to work on first pupil free day of school year following leave.

***HR Fact sheet: Purchased leave and deferred salary schemes***

Employees are not covered by the department’s work cover provisions during the sabbatical year and are not eligible to apply for any type of leave, with the exception of paid maternity leave, while undertaking the sabbatical year.

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**What are my rights?** There is no automatic entitlement for employees to receive approval to participate in purchased leave arrangements or the deferred salary scheme. Conversely, employees will not be coerced into participating for reasons of departmental convenience.

**Do I still have access to training and developing?** Employees participating in a purchased leave agreement are to receive equal access to training and development opportunities as non-participating employees.

**Do I earn interest on monies retained by the department?** No interest will be accrued on monies retained by the department on an employee’s behalf either as part of a purchased leave agreement or as part of the deferred salary scheme.

**What are my options if my application has been denied?** Follow the managing employee complaints procedure.

**What about my other paid leave entitlements?**

Employees who access purchased leave or the deferred salary scheme are still able to access their other paid leave entitlements such as long service leave or annual leave during the period of time deductions are made from their salary.

**How does it impact my leave entitlements?** The first three months of any continuous period of purchased leave will be credited as service for the purpose of accruing annual/recreation leave entitlement. Any continuous period of purchased leave or the deferred salary scheme exceeding 9 working days will **not** be credited as service for the purpose of accruing long service and sick leave entitlements.

**How does this affect my other employee payroll deductions?** All compulsory and voluntary deductions will continue to be made throughout the period of the purchased leave agreement or deferred salary scheme (e.g. garnishees, court orders, union memberships, etc) at the normal rate unless the employee arranges appropriate authorisation from the company/association concerned to vary the amount of a particular deduction. Deduction arrangements remain the responsibility of the employee to manage.

**Further information about both schemes**