SA Portable Long Service Leave
Community Services

31 July 2025

Transitional arrangements for employers

Many workers will move into the new Portable Long Service Leave (PLSL) scheme with entitlements accrued under the *Long Service Leave Act 1987* (SA), often referred to as the State Act. The new scheme recognises these entitlements and sets clear rules for how payments and liabilities are managed as the new system comes into effect.

Key concepts you'll need to understand

Term	What it means
Transitional service	Service accrued before 1 October 2025 under the *Long Service Leave Act 1987* (State Act)
Designated day	1 October 2025 (when the new scheme starts)
Employer liability	The amount an employer owes to a worker for long service leave under the State Act
Ordinary weekly rate of pay	How the worker's long service leave payment is calculated
Entitlement	The point at which a worker has accrued enough service (typically 120 months, or 10 years) to take or be paid for long service leave

Employer scenarios

Scenario 1: Workers who have accrued a long service leave entitlement prior to 1 October 2025

- Employers must calculate the amount owed under the State Act as at 30 September 2025
- That amount becomes the employer's fixed liability
- When the worker applies for leave after 1 October 2025, SAPLSL-CS will pay them and then seek reimbursement from the employer for the entitlement accrued under the State Act, using that pre-calculated rate

Example:

Sally has 10 years of continuous service with her employer on 30 September 2025. She has reached an entitlement to long service leave under the State Act before the new scheme begins.

In 2026, Sally decides to take her leave.

Here's what happens:

- Sally applies for long service leave via the SAPLSL-CS Worker Portal
- SAPLSL-CS seeks approval from Sally's employer for the leave to be taken
- SAPLSL-CS pays Sally for her long service leave
- SAPLSL-CS then sends an invoice to her employer to recover the cost of the leave that Sally earned under the State Act, based on the amount calculated by the employer as at 30 September 2025

The employer does not need to recalculate the leave at the time of payment — the amount owed is fixed as of the day before the scheme starts.

Scenario 2: Workers who accrue a long service leave entitlement after the PLSL scheme starts on 1 October 2025

- Employers are still responsible for pre-scheme long service leave (before 1 October 2025)
- The ordinary weekly rate of pay is used to calculate the amount, based on either:
  - When the worker claims the leave, or
  - Their last day of employment (if they've left before claiming)

SAPLSL-CS pays the worker and then seeks reimbursement from their employer for the portion that relates to pre-scheme service.

Example:

David has 6 years of continuous service with the same employer on 30 September 2025. Under the transitional rules, David hasn't reached his 10-year entitlement by the time the scheme starts.

From 1 October 2025, his service continues to accrue under the new Portable Long Service Leave scheme. David reaches his 10-year entitlement in October 2029 and decides he wants to take long service leave.

Here's what happens:

- David applies for long service leave via the SAPLSL-CS Worker Portal
- SAPLSL-CS seeks approval from David's employer for the leave to be taken
- SAPLSL-CS pays David for the full leave entitlement at his ordinary weekly rate of pay
- SAPLSL-CS then seeks reimbursement from the employer for the portion of the leave relating to the 6 years worked under the State Act before 1 October 2025
- The amount the employer pays back is based on David's ordinary weekly pay on the day he takes leave, not what he was paid in 2025

This approach ensures David's entitlement is preserved, and the employer is only responsible for the portion earned under the previous rules.

Scenario 3: A worker and employer agree to settle directly

- The worker and employer can agree to pay out the worker's pre-scheme entitlement directly
- This can now happen at any time (not just within 3 months of the scheme starting)
- The agreement must be:
  - In the approved form
  - Submitted to SAPLSL-CS within 28 days of the payment

Example:

Priya has 7 years of continuous service with her employer on 30 September 2025 under the State Act. Since then, she's accrued another 2 years under the portable scheme.

In November 2025, Priya and her employer agree to pay out her 7 years of long service leave entitlement accrued under the State Act.

Here's what happens:

- The employer pays Priya directly for her 7 years of accrued long service leave under the State Act
- The employer and Priya complete the approved form confirming the payment and agreement
- They send this form to SAPLSL-CS within 28 days of the payment
- Priya's remaining long service leave balance is now based only on the 2 years she has accrued under the portable scheme

This arrangement clears the employer's liability for the worker's pre-scheme service. SAPLSL-CS isn't involved in the payment, as it has been handled directly between the employer and worker.

This option is available at any time after the scheme starts, not just in the first 3 months, due to Regulation 20.

Summary table

Scenario	Situation	Who pays the worker	Employer liability	When it's calculated
1	Worker had entitlement before 1 October 2025	SAPLSL-CS	Fixed amount owed under State Act	As at 30 September 2025
2	Worker earns entitlement after 1 October 2025	SAPLSL-CS	Proportional share of pre-scheme service	At claim or termination
3	The amount an employer owes to a worker for long service leave under the State Act	Employer	Payout agreed amount	At agreement, with SAPLSL-CS notified

What to do next

- Identify workers with service accrued before 1 October 2025
- Record your fixed liability for workers already entitled
- Understand your proportional liability for workers still building service
- Contact SAPLSL-CS for the approved agreement form if you wish to pay a worker directly
- Visit: saplsl-community.org.au