Long service leave calculation guide

The state long service leave obligations outlined here apply to most WA businesses, including businesses covered by national modern awards.

If you are employed in the construction industry, there are special arrangements for long service leave. Visit www.myleave.wa.gov.au

Taking long service leave

The entitlement to long service leave is 8.667 weeks of paid leave after a minimum of 10 years’ continuous service. After the initial 10 years, the next qualifying period is 5 years. The calculation to determine how much long service leave is owing is:

\[
0.8667 \times \text{Completed years of service} \\
= \text{Weeks of long service leave owed}
\]

Long service leave on termination

There are two different calculations for long service leave upon termination, which depend upon an employee’s length of service.

After 7 years but less than 10 years

When terminating, an employee who has worked more than 7 years continuous service but less than 10 years is entitled to pro rata long service leave. When an employee has completed 7 years of service but less than 10 years, the long service leave is calculated on a pro-rata basis for their entire period of employment, including years, months, weeks and days.

**Step 1**
Calculate the number of weeks owed for whole years of service.

\[
0.8667 \times \text{Completed years of service} \\
= \text{Weeks of long service leave owed}
\]

**Step 2**
Calculate the additional weeks owed for service completed using the additional days (calendar) of service

\[
\text{Days of service} / (\text{divided by}) 365 \\
\times 0.8667 \\
= \text{Additional weeks of long service leave owed}
\]

**Step 3**
Add the total from Step 1 and Step 2 together to calculate the total amount of long service leave payable on termination.

\[
\text{Step 1 Total} + \text{Step 2 Total} = \text{The total number of weeks of long service leave owed}
\]
After 10 years

When terminating after 10 years of continuous service, an employee’s long service leave entitlement is calculated based on their completed years of service only.

Where an employee has completed 10 or more years of continuous employment, the amount of long service leave to be paid is calculated on the number of completed years of service.

**Step 1**
Calculate the number of weeks owed for whole years of service.

\[
0.8667 \times \text{Completed years of service} = \text{Number of weeks of long service leave owed.}
\]

**PAYMENT**

As a general rule, the long service leave entitlement is paid at the ordinary rate of pay, and the normal weekly number of hours of work applicable at the time taking the leave. Ordinary pay does not include shift premiums, overtime, penalty rates and allowances.

For part time and casual employees, the hours payable are calculated by averaging the number of hours worked during the qualifying period of employment.


If you have any queries about long service leave, please contact Wageline on 1300 655 266 or wageline@commerce.wa.gov.au