

# SESLHD PROCEDURE COVER SHEET



**Health**  
South Eastern Sydney  
Local Health District

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<b>FUNCTIONAL GROUP(S)</b>	HR Consulting Nursing and Midwifery
<b>KEY TERMS</b>	Career Break Scheme, Nursing, Midwifery
<b>SUMMARY</b>	The document provides nursing and midwifery staff with information on the Career Break Scheme including the application process.

## **COMPLIANCE WITH THIS DOCUMENT IS MANDATORY**

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### 1. POLICY STATEMENT

The [Public Health System Nurses' and Midwives' \(State\) Award 2023](#) (the Award) provides for the Career Break Scheme (CBS). This allows employees to apply for an option to defer twenty per cent (20%) of their salary for four (4) years and be paid this deferred salary in the fifth (5<sup>th</sup>) year.

Employees approved to participate in the CBS may take a break of one (1) year away from their position, the "Deferred Salary Leave Year". This one-year absence may be for professional and personal development, such as participation in other industry experience; post graduate study; working in overseas health systems; or for other activities, including those unrelated to the practice of nursing and midwifery.

The CBS is subject to applicable taxation law and requirements, and such law and requirements will prevail to the extent of any inconsistency with the CBS as described in this document.

### 2. BACKGROUND

A CBS is an arrangement whereby staff who are employed under the [Award](#) can apply to defer twenty per cent (20%) of their salary for four (4) years and be paid this deferred salary in the fifth (5<sup>th</sup>) year.

Employees who apply for and are approved to participate in the CBS receive one hundred percent (100%) of their normal salary for the first four (4) years, with a deduction equivalent to twenty percent (20%) of Net Salary (gross less tax). The twenty percent (20%) of Net Salary is deposited into a Custodial Trust Fund (CTF) administered by SESLHD Finance in the employee's name each pay period for payment in the fifth (5<sup>th</sup>) year, being the Deferred Salary Leave Year.

Money in the CTF accrues interest which is paid in the Deferred Salary Year in either a lump sum, or by fortnightly payment.

Eligible employees can apply for the scheme at any time during the year.

The number of employees accepted into the CBS vary across SESLHD facilities depending on headcount and skill mix available at each facility. The General Manager of each facility in conjunction with the Director of Nursing and Midwifery will determine how many applications will be accepted each year, taking into consideration the needs of the employee and facility.

### 3. RESPONSIBILITIES

#### 3.1 Employees will:

- Be aware of the CBS provisions within this document and as outlined in the [Award](#).
- Ensure request to participate in CBS is made via Career Break Scheme Application Form.

- Ensure that all necessary information and documentation in relation to their Career Break Scheme Application is attached and relevant additional information is provided where requested.
- Once advised by SESLHD Finance that the cost centre (trust fund) has been established, complete the Payroll Career Break Scheme form in SARA and submit.
- Ensure SESLHD is notified of any changes to their participation or CBS agreement in accordance with Changes and Payment of Career Break Scheme Form and relevant timelines.
- Ensure that independent financial advice is sought in relation to the impact of the CBS on Superannuation and Salary Packaging.
- Ensure that the Australia Taxation Office is notified of any financial implications due to their participation in the CBS arrangement (i.e. interest).

### 3.2 Line Managers will:

- Ensure that employees are aware of the provisions of the CBS within this document and as outlined in the [Award](#).
- Ensure that all Career Break Scheme Application Forms and Changes and Payment of Career Break Scheme Forms are reviewed and assessed in a fair, consistent, and timely manner, taking into consideration the impact of the CBS arrangement on the facility.
- Ensure that all Career Break Scheme Applications are managed in accordance with this document.
- Ensuring that all records in relation to the CBS including Applications are recorded and maintained on file.

### 3.3 Director of Nursing and Midwifery will:

- Ensure all Career Break Scheme Application Forms and Changes and Payment of Career Break Scheme Forms are reviewed and assessed in a fair, consistent, and timely manner, taking into consideration the impact of the CBS arrangement on the organisation.
- Ensure all Career Break Scheme Applications are managed in accordance with this document.

### 3.4 General Manager will:

- Ensure that all Career Break Scheme Application Forms and Changes and Payment of Career Break Scheme Forms are reviewed and assessed in a fair, consistent, and timely manner, taking into consideration the impact of the CBS arrangement on the facility.
- Ensure that all Career Break Scheme Applications are managed in accordance with this document.
- Ensure all records in relation to the CBS including Applications are recorded and maintained on file.

- Ensure that SESLHD Finance are notified of all approved Career Break Scheme Application Forms and Changes and Payment of Career Break Scheme Form requests.

**3.5 SESLHD Finance will:**

- Review and approve requests for creating CTF cost centre for CBS and advise Line Manager of the same.
- Advise HealthShare of the balance of the CTF (including total accumulated interest) as requested.

**3.6 Site Workforce Nurse Manager will:**

- Retain a copy of all approved CBS applications.
- Maintain a register for all CBS applications and monitor same for impact on the facility/service.
- Work with the relevant Line Manager to ensure staffing needs met during the Deferred Salary Leave Year.

**4. PROCEDURE****4.1 Eligibility**

All permanent full time and part time employees employed under the [Award](#) are eligible to participate in the CBS. Casual and temporary employees are excluded from participation in CBS.

**4.2 Expressions of Interest**

SESLHD will call for expressions of interest from employees seeking to participate in the CBS once each calendar year.

**4.3 Applying for CBS**

Applications are to be managed in accordance with this document. Employees should confirm their eligibility to apply for the CBS with their manager and submit a Career Break Scheme Application Form.

**4.4 Commencement**

Employees who have been approved to participate in the CBS will commence their participation in the CBS from the commencement date requested in their application or as negotiated with SESLHD. The deferral of twenty percent (20%) of the employee's salary and payment of the remaining eighty percent (80%) of the employee's salary will commence from the beginning of the first full pay period falling on or after the agreed date of participation in the CBS.

**4.5 Deferral of commencement**

Employee's may temporarily suspend or defer participation in the CBS and resume at a later agreed date. During such circumstances, a Changes and Payment of Career Break Scheme Form must be completed and submitted at least four (4) weeks prior to the

commencement of the CBS. These requests will be reviewed by the facility on a case-by-case basis, taking into consideration the needs of the employee and organisation.

#### **4.6 Withdrawal from the Career Break Scheme**

An employee can elect to withdraw from the CBS at any time by giving a reasonable notice period of four (4) weeks to SESLHD. Employees who withdraw from the CBS will also be paid all monies from their CTF which have been collected thus far. During such circumstances, employees are required to complete a Changes and Payment of Career Break Scheme Form.

#### **4.7 Temporary Positions and Secondments during Career Break Scheme**

If a permanent employee is placed into another position by way of temporary engagement or secondment during the four (4) years when salary is being deferred (preceding the Deferred Salary Leave Year), this will not of itself affect their continued participation in the CBS.

#### **4.8 Leave Accrual whilst on the Career Break Scheme**

The five (5) years of the CBS will count as service for the accrual of long service leave (LSL), sick leave, annual leave, salary increments and other statutory entitlements.

Any leave without pay taken by an employee whilst participating in the CBS will not count for the purpose of any leave accrual.

Employees who undertake leave without pay (LWOP) during the first four (4) years of the CBS, will automatically have the commencement date of their deferred salary leave year postponed by the same length of time as the LWOP period.

For the purpose of determining the leave accrued in the fifth (5th) year of the CBS (i.e. the deferred salary leave year) for permanent part-time employees, the average of all hours worked (excluding overtime) in the first four (4) years of the CBS and including paid leave taken will be used for the basis of making this calculation.

#### **4.9 Leave Before or After the Deferred Salary Leave Year**

Employees are entitled to take paid leave immediately preceding or following the Deferred Salary Leave Year, subject to normal approval processes and in line with [NSW Health Policy Directive PD2023\\_045 - Leave Matters for the NSW Health Service](#).

#### **4.10 Leave during the Working Years Preceding the Deferred Salary Leave Year**

The 20% deduction from net salary (gross less tax) will continue during periods of paid leave during the first four (4) years of the employee's participation in the CBS.

Employees who undertake leave without pay (LWOP) during the first four (4) years of the CBS, will automatically have the commencement date of their deferred salary leave year postponed by the same length of time as the LWOP period.

**4.11 Applications for Leave during Deferred Salary Leave Year**

Employee will not apply for or be granted any form of leave during the Deferred Salary Leave Year, with the exception of Maternity and Adoption Leave which must be managed in accordance with [NSW Health Policy Directive PD2023\\_045 - Leave Matters for the NSW Health Service](#).

In respect to Maternity or Adoption Leave, if the Deferred Salary Leave Year has not commenced, the participating employee may elect to postpone the commencement of the Deferred Salary Leave Year until after the completion of such leave (up to 52 weeks). If the employee elects not to postpone the deferred salary leave year, they are entitled to a lump sum payment of their normal salary for the period of paid maternity/adoption leave. The paid maternity/adoption leave does not extend the deferred salary leave year.

**4.12 Salary Packaging**

Employees participating in the CBS can continue access salary packaging for the first four (4) years while deferring 20% of their salary. As the Net Salary is reduced by the value of the salary packaging benefits, CBS deductions for employee's who are also salary packaging will be less than for employees who are not salary packaging. It is the responsibility of the employee's participating in the CBS to declare such arrangements in their annual taxation return to the Australian Taxation Office.

Salary packaging will not be available for the Deferred Salary Leave Year, as the employee is not in receipt of a salary. It is the employee's responsibility to withdraw from the salary packaging arrangement prior to the commencement of the Deferred Salary Leave Year and in accordance with the required period of notice as set out in [NSW Health Policy Directive PD2018\\_044 - Salary Packaging](#).

**4.13 Superannuation**

The Deferred Salary Leave Year will be treated as predetermined leave and thus employees should seek independent financial advice for the effect on superannuation, and their superannuation obligations through their participation in the CBS. Employees are also encouraged to contact the administrator of the superannuation fund(s) to which they belong as to the impact of their participation in the CBS on insurance cover, etc. that may be part of their superannuation CBS.

**State Superannuation Scheme (SSS)**

SESLHD will maintain the employee's employer contributions for the full five (5) year period at the rate applicable to a person earning full salary for each of the five (5) years. Any required personal superannuation contributions of employees are payable at the rate applicable to one hundred percent (100%) of salary for each of the five (5) years.

**State Authorities Superannuation Scheme (SASS)**

SESLHD will maintain the staff member's employer contributions for the full five (5) year period at the rate applicable to a person earning full salary for each of the five (5) years. Any required personal superannuation contributions of employees are payable at the rate applicable to their full salary for each of the five (5) years.

Other complying fund (e.g.: First State Superannuation, HESTA, HIP)

SESLHD will cease making employer contributions during the deferred salary leave year. The superable salary is deemed to be one hundred percent (100%) of the employee's normal salary (both deferred and the remaining 80% paid) for each of the first four (4) years, and superannuation employer contributions are calculated on this basis. In the deferred salary leave year no employer contributions to superannuation are payable for members of these funds.

Personal Employee Superannuation Contributions

Employee's will continue to pay all personal employee superannuation contributions whilst participating in the CBS. The amount of such employee contributions is determined by the superannuation scheme/fund to which the employee is contributing and personal contributions during the deferred salary leave year are payable at the rate applicable to the employee's full salary.

**4.14 Workers Compensation**

During the Deferred Salary Leave Year employees are not covered by SESLHD's workers compensation provisions unless working in a position in that public health system entity that is not covered by the [Award](#).

**4.15 Payment of the Deferred Salary Leave Year**

The twenty percent (20%) of Net Salary which is deposited into a CTF over the four (4) years of the CBS, will be paid in the Deferred Salary Year in either a lump sum, or by fortnightly payment. There will be no access to the deferred salary until the fifth (5th) year unless the employee chooses to withdraw from the CBS. All requests for payment of the Deferred Salary Leave Year must be made via the Payment of Career Break Scheme Form and is managed as per below.

Payment of Deferred Salary Leave Year as Lump Sum

If the employee elects to receive a lump sum, this sum is the combination of the salary deductions made during years one (1) to four (4) of the Scheme, together with interest accruing in the trust account.

It is the responsibility of the employee participating in the CBS to declare the interest earned on the deferred salary to the Taxation Office. Normal government statutory charges attributed to an individual's deferred salary account will be paid by the employee.

Payment of Deferred Salary Leave Year by Fortnight

If the employee elects to be paid fortnightly, payment shall be calculated in the following manner:

- For those years when twenty-six (26) fortnights are payable:
  - a) Fortnight one (1): employee is paid one twenty-sixth (26th) of the total amount available in the trust account at the date the calculation is made for payment.
  - b) Fortnight two (2): employee is paid one twenty-fifth (25th) of the total amount available in the trust account at the date the calculation is made for payment.

- c) Fortnight three (3): employee is paid one twenty-fourth (24th) of the total amount available in the trust account at the date the calculation is made for payment; and so on in corresponding manner for the remaining fortnights of the deferred salary leave year. In the last fortnight, the employee will be paid the remaining amount in the trust account, and that account closed.
- For those years when twenty-seven (27) fortnights are payable:
  - a) Fortnight one (1): employee is paid one twenty-seventh (27th) of the total amount available in the trust account at the date the calculation is made for payment.
  - b) Fortnight two (2): employee is paid one twenty-sixth (26th) of the total amount available in the trust account at the date the calculation is made for payment.
  - c) Fortnight three (3): employee is paid one twenty-fifth (25th) of the total amount available in the trust account at the date the calculation is made for payment; and so on in corresponding manner for the remaining fortnights of the deferred salary leave year. In the last fortnight, the employee will be paid the remaining amount in the trust account, and that account closed.

#### **4.16 Postponement of the Deferred Salary Leave Year**

An employee may request the postponement of their Deferred Salary Leave Year prior to the commencement of the Deferred Salary Leave Year. During such circumstances, a Changes and Payment of Career Break Scheme Form must be completed and submitted least four (4) weeks prior to the commencement of the Deferred Leave Year. These requests will be reviewed by SESLHD on a case-by-case basis, taking into consideration the needs of the employee and the organisation. SESLHD however will reserve the right to approve or not approve such requests.

When an employee is approved to postpone the commencement of their Deferred Salary Leave Year, payment during the fifth (5th) year which would have been considered predetermined leave will be paid at the employee's normal 100% salary. No deductions equivalent to the 20% of new salary will be set aside.

In exceptional circumstances SESLHD may need to postpone the employee's Deferred Salary Leave Year. During such exceptional circumstances, the decision will be made in consultation with the employee taking into consideration the needs of the employee and the organisation.

#### **4.17 Undertaking other Employment Opportunities during Deferred Salary Leave Year**

##### Employment Internal to NSW Health

During the deferred salary leave year, employees are not permitted to undertake work in NSW Health in positions covered by the [Award](#). However, this does not prevent employees from working in NSW Health in another position not covered by the [Award](#).

##### Employment External to NSW Health

Employees may undertake outside employment in the deferred salary leave year, however will need to complete [Secondary Employment Form \(F350\)](#) in line with the [NSW Health Code of Conduct PD2015\\_049](#).



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### 4.18 Return to work following completion of the Deferred Salary Leave Year

Employee's participating in the CBS will resume employment in their substantive position at the conclusion of their participation in the CBS, being the anniversary date of commencing the deferred salary leave year.

Any changes to an employee's employment position during the Deferred Salary Leave Year, will need to be discussed with the [People Assist Hub](#).

## 5. DOCUMENTATION

- [Career Break Scheme Application Form](#)
- [Changes and Payment of Career Break Scheme Form](#)
- [HealthShare Payroll Career Break Scheme Form](#)

## 6. AUDIT

Applications and all associated documentation will be maintained in Content Manager for review if required.

## 7. REFERENCES

- [Public Health System Nurses' and Midwives' \(State\) Award 2023](#)

## 8. VERSION AND APPROVAL HISTORY

Date	Version	Version and approval notes
27 June 2024	1.0	New procedure adapted from SESLHD Nurses' & Midwives' Career Break Scheme Fact Sheet by Norbert Pereira, NM Workforce. Approved by Kate Hackett, SESLHD Director Nursing and Midwifery. Based upon NBMLHD procedure. Approved at SESLHD Executive Meeting.

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### APPENDIX 1 – Career Break Scheme Flowchart

