

## Funding Arrangements for Long Service Leave and Transferred Officers Leave Entitlements

**This Treasury Circular outlines the funding arrangements for long service leave (LSL) and for transferred officers' leave entitlements for financial years ending on and after 30 June 2021. This Circular applies to GSF agencies and does not apply to universities and their controlled entities. This Circular withdraws and supersedes Treasury Circular TC14-06 with the same title.**

This Circular withdraws and supersedes Treasury Circular TC14-06 and:

- Provides updated contribution rates of the Agency Funded LSL Pool based on actuarial assessment.
- Removes from this Circular and refers to Treasury Circular TC21-03 *Accounting for Long Service Leave and Annual Leave* for the list of agencies under different LSL categories.
- Updates the new bank account and general ledger account details for LSL transactions.

This Circular should be read in conjunction with TC21-03, other relevant Treasury Circulars and Treasury Policy Papers (available in the document library on Treasury's website). TC21-03 covers the requirements for year-end accounting of LSL and annual leave.

### **A Funding Arrangements for LSL:**

For the purpose of LSL, agencies are assigned to one of three categories:

- **Category 1: Crown Funded LSL Agencies**

General Government Sector (GGS) agencies whose LSL including some LSL on-costs assumed by the Crown. The liabilities are transferred to the Crown via journals. The Crown reimburses payments made by agencies to employees.

- **Category 2: Agency Funded Crown LSL Pool**

GGS agencies that make regular contributions to the LSL Pool. These agencies directly meet their long service leave obligations to employees and are subsequently reimbursed by the Crown for LSL payments made to employees.

- **Category 3: All Other Residual Agencies covered by the *Government Sector Employment Act 2013* (GSE Act)**

Agencies assume their own LSL liability and related on-costs.

### **B Funding Arrangements for Transferred Officers' Leave Entitlements:**

The GSE Act allows for the transfer of leave entitlements when employees transfer between public sector employers. Section 33 of the *Government Sector Employment Regulation 2014* allows the Treasurer to give directions and issue guidelines regarding the transfer of funds between government sector employers for LSL and annual leave entitlements.

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For

**Michael Pratt AM**

**Secretary**

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## **Content**

### **A. Introduction**

### **B. Funding Arrangements for Long Service Leave**

1. Category 1: Crown Funded LSL Agencies
  - 1.1 Monthly non-cash journals
  - 1.2 Reimbursement of LSL expenditure
  - 1.3 LSL for transferred officers
  - 1.4 Special funding arrangements for emergency service agencies
  - 1.5 LSL certificate of reconciliation
2. Category 2: Agency Funded Crown LSL Pool
  - 2.1 Reimbursement of LSL expenditure
  - 2.2 Contributions to the Agency Funded Crown LSL Pool
3. Category 3: All other residual agencies covered by the *Government Sector Employment Act 2013*

### **C. Funding Arrangements for Transferred Officers' Leave Entitlements**

1. When funds must be transferred
  - 1.1 Annual Leave and Leave Loading
  - 1.2 Long Service Leave
2. Amount of funds to be transferred
  - 2.1 Annual Leave and Leave Loading
  - 2.2 Long Service Leave
3. Determining the value of transferring LSL liabilities: nominal value or present value

### **D. Funding Arrangements for Long Service Leave Transfers due to Agency Restructures or Policy Decision Purposes resulting in a change in LSL category**

## **Appendices**

- Appendix 1 - Funding and reporting requirements for the various transfer arrangements (not including agency restructures)
- Appendix 2 - Funding and reporting requirements for agency restructures
- Appendix 3 - Non-cash journal for Category 1 agencies
- Appendix 4 - LSL reimbursement form- Category 1 agencies
- Appendix 5 - LSL receipt voucher-Category 1 agencies
- Appendix 6 - LSL reimbursement form- Category 2 agencies
- Appendix 7 - LSL receipt voucher- Category 2 agencies
- Appendix 8 - Sample of LSL certificate of reconciliation extracted from the Crown Data Return
- Appendix 9 - Appendices 3 to 7 Excel templates

## A. Introduction

This NSW Treasury Circular outlines the funding arrangements for Long Service Leave (LSL) for NSW public sector agencies, including transferred officers' leave entitlements (e.g. LSL and annual leave) where staff transfer between agencies in the event of agency restructures<sup>1</sup> or policy purposes.

This Circular applies to GSF agencies, not universities and their controlled entities, for financial year ending on or after 30 June 2021.

This Circular withdraws and supersedes TC14-06 *Funding Arrangements for Long Service Leave and Transferred Officers Leave Entitlements*.

Schedule 1 of *Government Sector Employment Regulation 2014* (GSE Regulation) sets out the calculation of extended leave entitlements. Extended leave and long service leave are the same and for the purposes of this Circular will be referred to as LSL.

## B. Funding Arrangements for Long Service Leave

There are three funding arrangements of LSL liabilities. The treatment will depend upon the category of the agency:

### 1. Category 1: Crown Funded LSL Agencies<sup>2</sup>

General Government Sector (GGS) agencies whose LSL including some LSL on-costs, is assumed by the Crown. These agencies do not recognise the LSL liability in their Statement of Financial Position. Instead, they recognise an equivalent revenue for the liabilities assumed by the Crown. These agencies are listed in Treasury Circular TC21-03 *Accounting for Long Service Leave and Annual Leave* or its replacement Circulars.

The requirements for Crown Funded LSL Agencies are as follows:

#### 1.1 Monthly non-cash journals (Appendix 3)

Category 1 agencies calculate monthly accrued LSL liabilities and the related on-costs assumed by the Crown and must report the amount to Treasury Finance<sup>3</sup> through non-cash journals each month. Agencies should use Crown Account Number 842000 (LSL Liability assumed by the Crown) to record the monthly accrual of LSL expense.

Agencies calculate the accruing LSL based on an additional accrued LSL entitlement each month. If an agency adopts alternative methods, for example calculating accrued liability at each June and expensing the annual accrual estimate in 12 equal monthly amounts, this needs to be agreed with agencies' Treasury Analysts.

Agencies are required to send the monthly non-cash journal, in the format prescribed in Appendix 3, by email to **[crown\\_monthly\\_journal@treasury.nsw.gov.au](mailto:crown_monthly_journal@treasury.nsw.gov.au)** on or before the 3rd working day following the month end. Agencies are required to agree the Crown journals with their internal accounting records each month.

In addition, agencies are required to put through an adjusting entry at 30 June each year for the present value of LSL in accordance with TC21-03 or its replacement Circular. Agencies should use

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<sup>1</sup> Agency restructures include agency creation, abolition, amalgamation and transfer of functions between agencies effected by GSE Act Administrative Arrangements Orders.

<sup>2</sup> The term 'Crown' refers to the Crown in the right of the State of New South Wales. The term 'agencies' is used only for the purposes of this Circular and may encompass parts of a department.

<sup>3</sup> LSL liabilities assumed by the Crown is administered by NSW Treasury and is managed by Treasury Finance.

Crown Account Number 842004 (LSL Change Expense Current Year Movement) to adjust to the present value balance at 30 June.

Refer to TC21-03 or its replacement Circular for details of the on-costs assumed by the Crown, the LSL accounting treatment and year-end reporting procedures to Treasury Finance.

## **1.2 Reimbursement of LSL expenditure (Appendix 4)**

When an agency makes a cash payment to discharge the LSL liabilities, the payment is to be recouped from the Crown. A copy of the LSL reimbursement form - Category 1 agencies form is shown in Appendix 4. Agencies should use Crown Account Number 837501 (Long Service Leave Payments Made) when the LSL is taken by employees either in service or on termination of service. The LSL reimbursement should include the related on-costs assumed by the Crown.

Agencies must ensure that the reimbursement form is duly signed by an authorised officer in accordance with delegation sections under the *Government Sector Finance Act 2018*. Agencies must have available evidence and supporting documentation for all LSL reimbursements. This evidence should be provided upon request.

## **1.3 LSL for transferred officers**

### **Transfer within Category 1 agencies**

Where officers are transferred within Category 1 agencies, no cash transfer is required as the Crown assumes the LSL liabilities. Agencies must ensure those transferred LSL liabilities do not impact on their LSL expense. The transferor (transferring agency) should agree with the transferee (receiving agency) the amount of LSL transferred.

At the year end, the transferred amount should be reported as “staff transferred in/transferred out for non-cash transfers” in the LSL Certificate of Reconciliation (Appendix 8) of both transferring agency and receiving agency. Refer to section 1.5 for more details.

### **Transfer between agencies in different LSL categories (Appendix 5)**

Where officers are transferred between agencies in different categories, a cash transfer is required. Details of staff transfer arrangements are further explained in Section C of this Circular. When a Crown Funded LSL agency receives funds from other agencies in relation to a staff transfer, the funds must be remitted to Treasury Finance. Agencies should use the Crown Account Number 858031 (LSL Receipts - Transferred-In Officers) in the LSL receipt voucher – Category 1 agencies (Appendix 5) to report the LSL transfer with cash. The receipt voucher is required to be sent to Treasury Finance on the date of fund remittance.

Where a Crown Funded LSL agency makes a payment relating to employees transferring to agencies in different LSL categories, agencies should seek reimbursement from Treasury Finance through Crown Account Number 837503 (Long Service Leave Payments Made - Staff Transferred Out) using the LSL reimbursement form (Appendix 4). Details of employees transferring to other agencies are to be disclosed in the bottom section of the reimbursement form. This information is necessary for audit purposes.

## **1.4 Special funding arrangement for emergency services agencies**

Emergency Services agencies, including Fire and Rescue NSW and State Emergency Service are funded under a special funding arrangement by the State Government, insurance companies and local councils. In return for the Crown assuming their LSL liabilities, these agencies are required to make regular contributions (monthly, or at least quarterly) to the Crown for the LSL expense portion payable from insurance companies and local councils. These agencies are required to send LSL contributions to the Crown together with the LSL receipt voucher on the date of remittance. The

Crown Account Number (858027-Contribution for Long Service Leave) should be used to record the LSL contributions in the receipt vouchers.

### **1.5 Complete the year end LSL certificate of reconciliation (Appendix 8)**

In accordance with requirements of the annual policy on Agency Guidelines for the Mandatory Annual Returns to Treasury, agencies are required to reconcile the movement in LSL liability during the financial year and complete the LSL Certificate of Reconciliation (Appendix 8).

If any discrepancy is identified, agencies must investigate and rectify the errors before lodging the Crown Data Return. Agencies should not simply use LSL expense (Crown Account Numbers 842000 or 842004) to balance the yearly movement without a reconciliation being undertaken.

## **2. Category 2: Agency Funded Crown LSL Pool**

The list of agencies that are in the Agency Funded Crown LSL Pool is provided in TC21-03. Agencies can only be admitted to this Pool in special circumstances and with the approval of Treasury/Treasurer.

Agencies in this category make regular cash contributions to the Pool held by the Crown. Agencies recognise the contributions as an expense in their Statement of Comprehensive Income. Subsequently, these agencies are reimbursed by the Crown for LSL payments made to employees. Agencies recognise the LSL liability along with a corresponding equivalent asset for the amount expected to be reimbursed by the Crown in their Statement of Financial Position.

### **2.1 Reimbursement of LSL expenditure (Appendix 6)**

Payments to employees are recouped from the Crown using the LSL reimbursement form. The Crown Account Number (842010 - Non- Budget LSL Pool Reimbursements to Agencies) is used to record the LSL reimbursement. A copy of the LSL reimbursement form - Category 2 agencies is shown in Appendix 6.

Agencies must ensure that the reimbursement form is duly signed by an authorised officer in accordance with delegation sections under the *Government Sector Finance Act 2018*. Agencies must have available evidence and supporting documentation for all LSL reimbursements. This evidence should be provided upon request.

### **2.2 Contributions to the Agency Funded Crown LSL Pool (Appendix 7)**

Agencies in the Pool are required to calculate the monthly accrued entitlements and to make a cash payment to Treasury Finance based on the contribution calculations below. The agencies must transfer cash monthly to Treasury Finance together with the LSL receipt voucher - Category 2 agencies (Appendix 7) **on or before the last working day of the month or quarter**. The Crown Account Number (858000 - LSL Contribution from Agency Funded LSL Pool) is used to record the LSL contributions.

Contributions to the Agency Funded Crown LSL Pool include:

- a. A single contribution rate, applicable for all employees regardless of year of service is as follows:

#### **2.7% of total salaries**

This flat rate of 2.7% applicable to all employees' salaries regardless of year of service should be calculated and paid to the Crown as LSL contributions on a monthly basis.

For Public Service senior executives, the flat rate 2.7% is to be applied to the notional salary of the Public Service senior executives' total remuneration package as defined in the Department

of Premier and Cabinet's Circular C2020-13 *Notional Salary 2019-20* (or its replacement Circular).

b. The value of LSL entitlements for staff transferring into the Pool.

### **3. Category 3: All other residual agencies covered by the *Government Sector Employment Act 2013***

Agencies in this category recognise and fund their own liabilities. No information is required by Treasury.

## **C. Funding Arrangements for Transferred Officers' Leave Entitlements**

Where staff are transferred between agencies, the related officers' leave entitlement must be transferred between agencies. The transferring and receiving agencies must ensure that, where necessary, funds are transferred with the amount and the valuation basis used in calculating the transferred leave entitlement liabilities (nominal value or present value) are correct. The details are as follows.

### **1. When funds must be transferred**

#### **1.1 Annual leave and annual leave loading**

Funds must be transferred to the new employing agency for any transferred annual (recreation) leave and annual leave loading when staff move between public sector agencies. Agencies are required to fund all annual leave and leave loading entitlements from their own resources.

#### **1.2 Long Service Leave**

For LSL, no transfer of funds is required when staff move between agencies within Categories 1 or 2. A transfer of funds is required for LSL either by the Crown or an agency where staff move between agencies in different Categories; for example, between Category 1 and Category 2 agencies, and where transfers are to or from a Category 3 agency.

Where the transfer is within Category 3, those agencies are required to fund the LSL transfer from their own resources. There is no requirement to report to Treasury.

Appendix 1 summarises the funding and reporting requirements for the various LSL transfer arrangements. This appendix excludes the funding and reporting requirements of LSL transfer as a result of agency restructures or policy decision purposes, these are detailed in Appendix 2.

Where a LSL transfer involves a transfer of funds to Treasury Finance, the agency should transfer funds equivalent to the transferred LSL liabilities and related on-costs assumed by the Crown to the below bank account:

Bank Account Name: Crown Finance Entity  
BSB: 012 100  
Account No: 838163575

A receipt voucher (Appendix 5 for Category 1 agencies and Appendix 7 for Category 2 agencies) is required to be sent on the date of remittance.

Where a LSL transfer involves a reimbursement from the Crown, the agency should lodge a reimbursement form with the Crown (Appendix 4 for Category 1 agencies and Appendix 6 for Category 2 agencies). The reimbursement form must be duly authorised by officers of the agency in accordance with the delegation sections under the *Government Sector Finance Act 2018*.

## **2. Amount of funds to be transferred**

### **2.1 Annual Leave and Leave Loading**

Funds equivalent to the value of accrued entitlements together with the on-costs e.g. payroll tax is to be paid by the transferring agency to the receiving agency. A payment equivalent to the accrued entitlement must be transferred at the departing salary/wage level paid by the transferring agency.

### **2.2 Long Service Leave**

For staff with less than five years aggregate service, no funds are required to be transferred.

For those staff with five years and longer service, funds equivalent to the accrued entitlement (either in nominal value or present value – for details refer to the Section 3 below) together with the on-costs must, if necessary, be transferred at the departing salary/wage level paid by the transferring agency. For CES/SES officers the salary level is the notional salary of the total remuneration package, in accordance with the Department of Premier and Cabinet's Circular C2020-13 *Notional Salary 2019-20* (or its replacement Circular).

For the LSL transfer to the Crown, the on-costs assumed by the Crown must also be included. Refer to Treasury Circular TC21-03 or its replacement Circular for the details of on-costs.

LSL receipt vouchers are to include details of the employee name(s), amount(s) and transferring agency name(s). Similarly, Category 1 and 2 agencies that seek reimbursements from the Crown are to detail employee name(s), amount(s) and transferee agency.

Prior to a LSL transfer, the transferring agencies are required to fully reconcile leave records to employee records to ensure the receiving agency receives the appropriate funds and leave balances. Agencies also ensure that staff transfers, fund transfers and reconciliation records are retained.

## **3. Determining the value of transferring LSL liabilities: nominal value or present value**

Whether the nominal or present value of the LSL is transferred depends on the nature of the transfer, as follows:

- In the normal case, where an individual staff member is transferred to another agency, (for example, where a staff member has obtained a new position in another agency), the amount transferred is the nominal value.
- Where a group of staff are transferred within or between Categories 1 and 2 agencies due to agency restructures or policy decision purposes, the amount transferred is also the nominal value.
- Where a group of staff are transferred between Categories 1 and 3 or 2 and 3 agencies as a result of agency restructures or policy decision purposes, the amount of transferred LSL is the present value as at the date the restructure occurs, or the transfer date approved by Treasury/Treasurer as per policy decision. In this instance, the transferring agency must contact Treasury to be advised of the appropriate present value factors. In complicated instances, the transferring agencies will need to engage an actuary to calculate the present value of the LSL liabilities prior to the transfer, using assumptions provided by Treasury.
- Where there is a group of staff transferred within Category 3 agencies because of agency restructures, the amount transferred is the present value. The transferring agencies should engage their own actuary to calculate the present value of the LSL liabilities prior to the transfer.

## **D. Funding Arrangements of LSL Transfers due to Agency Restructures or Policy Decision Purposes resulting in a change in LSL category**

Where there is a LSL transfer as a result of agency restructures or policy decision purposes, the affected agencies must contact their Treasury Analysts to discuss the possible impact on the LSL category classification and funding arrangements.

Agency restructures as effected by the Administrative Arrangements Order under the GSE Act do not change the status as to whether LSL is assumed by the Crown.

For those abolished/transferred agencies whose LSL was assumed by the Crown (that is a Category 1 agency), the LSL assumed by the Crown remains unchanged in the receiving agencies/new agencies. For those abolished/transferred agencies who have their own LSL liability on the financial statements (that is a Category 3 agency), the LSL liability and related on-costs (present value as at the effective date of the transfer) must be transferred to the receiving agency on the effective date, and the receiving agency must report the LSL liability and related on-costs in their financial statements, remeasured at the reporting date.

However, where an agency's LSL liability transfers to the Crown, (that is a Category 3 agency becoming a Category 1 agency), the agency must contact its Treasury Analyst and apply for the transfer. Upon Treasury/Treasurer approval, LSL liability and assumed on-costs transfer (present value as at the effective date of the transfer) must be funded by cash of the equivalent amount unless the Treasury/Treasurer approves an equity transfer which would only occur in special circumstances.

Where a Category 2 agency is transferred to the Crown (that is a change from Category 2 agency to Category 1 agency), the change to LSL category requires Treasury/Treasurer approval. There is no need for Category 2 agency to transfer funds to the Crown. Upon approval, the agency will have calculations of LSL signed off by its Chief Financial Officer. A signed summary report is to be forwarded to Treasury Finance to enable the necessary funding transfers between the two category pools.

A transfer of funds in relation to LSL between an agency and the Crown is required when the agency's LSL category is changed. Appendix 2 outlines the funding and reporting requirements where the LSL transfers with a change in LSL category resulting from agency restructures or policy decision purposes.

### **Restructures Involving Personnel Services**

TC15-07 or its replacement Circular outlines the financial and annual reporting requirements where personnel services are provided by departments or divisions to statutory bodies.

Agency restructures which may involve abolishing personnel service divisions or transferring staff that provide personnel services to statutory bodies to other divisions or departments. Where transferred employees continue to provide personnel services to the same statutory body/function, there should be no impact on the funding arrangements for LSL. That is, where staff are transferred to another division or department, but those transferred staff continue to provide personnel services to the same statutory body/function, this transfer does not, of itself, change the status as to whether LSL is assumed by the Crown. For details, refer to TC15-07.

**Appendix 1 - Funding and reporting requirements for the various transfer arrangements (not including staff transfers due to agency restructures or policy decision purposes)**

Transferring Officers	Is Funds Transfer Required?	Requirement
<b>Within <u>one</u> Category, 1 or 2</b>	No	<ul style="list-style-type: none"> <li>▪ Agencies to update own records of accrued LSL liabilities as a result of staff transfer.</li> <li>▪ No information is required by Treasury.</li> <li>▪ No impact on the LSL expense of the transferring and receiving agencies.</li> <li>▪ For Category 1 agencies only, the total of LSL transfers during the year should be reported as “non-cash transfers within Crown Funded LSL Agencies” in the LSL Certificate of Reconciliation (Appendix 8).</li> </ul>
<b>Within Category 3</b>	Yes	<ul style="list-style-type: none"> <li>▪ LSL transfer is on cash basis.</li> <li>▪ No information is required by Treasury.</li> </ul>
<b>Between Categories</b> <ul style="list-style-type: none"> <li>• From Category 1 to 2</li> <li>• From Category 2 to 1</li> <li>• From Category 1 to 3</li> <li>• From Category 3 to 1</li> <li>• From Category 2 to 3</li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p><b>Category 1 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Transfer funds of related LSL to Category 2 agencies</li> <li>▪ Recoup the LSL payments from the Crown using the LSL reimbursement form - Category 1 agencies (Appendix 4)</li> </ul> <p><b>Category 2 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Remit the money of LSL entitlement of incoming officers with the LSL receipt voucher - Category 2 agencies<sup>4</sup> (Appendix 7) to Treasury Finance</li> </ul> <p><b>Category 2 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Transfer funds to Category 1 agencies to discharge LSL liabilities</li> <li>▪ Claim reimbursement from the Crown using the LSL reimbursement form - Category 2 agencies (Appendix 6)</li> </ul> <p><b>Category 1 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Remit the funds received with the LSL receipt voucher - Category 1 agencies (Appendix 5) to Treasury Finance</li> </ul> <p><b>Category 1 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Transfer funds to Category 3 agencies to discharge LSL liabilities</li> <li>▪ Recoup the LSL payments from the Crown using the LSL reimbursement form - Category 1 agencies (Appendix 4)</li> <li>▪ No information is required from Category 3 agencies.</li> </ul> <p><b>Category 3 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Transfer funds of LSL entitlement to Category 1 agencies</li> <li>▪ Category 3 agencies fund the LSL transfer</li> </ul> <p><b>Category 1 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ Remit the funds received together with the LSL receipt voucher - Category 1 agencies (Appendix 5) to Treasury Finance</li> </ul> <p><b>Category 2 agencies:</b></p> <ul style="list-style-type: none"> <li>▪ transfer funds to Category 3 agencies to discharge the LSL liabilities</li> <li>▪ recoup the LSL payments from the Crown by lodging the LSL reimbursement form - Category 2 agencies (Appendix 6)</li> </ul>

<sup>4</sup> Category 1 agencies receives reimbursement from the Crown based on leaving staff's final salary whereas Category 2 agencies remit funding for the LSL to the Crown based on the new salary of those incoming officers.

<b>Transferring Officers</b>	<b>Is Funds Transfer Required?</b>	<b>Requirement</b>
<ul style="list-style-type: none"><li>From Category 3 to 2</li></ul>	Yes	<ul style="list-style-type: none"><li>No information is required from Category 3 agencies.</li></ul> <p><b>Category 3 agencies:</b></p> <ul style="list-style-type: none"><li>Transfer funds of LSL entitlement to Category 2 agencies</li><li>Category 3 agencies fund the LSL transfer</li></ul> <p><b>Category 2 agencies:</b></p> <ul style="list-style-type: none"><li>Remit the funds received together with the LSL receipt voucher - Category 2 agencies (Appendix 7) to Treasury Finance</li></ul>

## Appendix 2 - Funding and reporting requirements for LSL transfer due to agency restructures or policy decision purposes resulting in a change in LSL category

The following table outlines the funding and reporting requirements for LSL transfers due to agency restructures or policy decision purposes resulting in a change in LSL category. The agency restructures happen where an agency or function within an agency is abolished, or transferred to another agency, and the staff are transferred to a new agency or merged with an existing agency. The resulting change in LSL category requires Treasury/Treasurer approval.

LSL transfer due to agency restructures or policy decision purposes	Requirement
From Category 1 to 3	<ul style="list-style-type: none"> <li>▪ Normally the new agency/merged agency or function (Category 3) recoups from the Crown the payment equivalent to LSL (present value) liability and the Crown's assumed on-costs as at the restructure effective date or Treasury/Treasurer approved transfer date by lodging the LSL reimbursement form - Category 1 agencies (Appendix 4).</li> <li>▪ Thereafter, the Category 3 agency recognises and funds its own liabilities.</li> </ul>
From Category 3 to 1	<ul style="list-style-type: none"> <li>▪ New agency/merged agency or function (Category 1) transfers to the Crown the funds equivalent to LSL (present value) liability and the Crown's assumed on-costs as at the restructure effective date or Treasurer approved transfer date together with the LSL receipt voucher - Category 1 agencies (Appendix 5).</li> <li>▪ Thereafter, Crown assumes the LSL and the agency must comply with the Category 1 agencies requirements as stated in this Circular.</li> </ul>
From Category 3 to 2	<ul style="list-style-type: none"> <li>▪ New agency/merged agency or function (Category 2) must transfer funds to the Crown equivalent to the LSL (present value) liability, together with the LSL receipt voucher - Category 2 agencies (Appendix 7).</li> <li>▪ Thereafter, the agency must comply with the Category 2 agencies requirements as stated in this Circular.</li> </ul>
From Category 2 to 3	<ul style="list-style-type: none"> <li>▪ New agency/merged agency or function (Category 3) agency recoups the LSL (present value) liability from the Crown by lodging the LSL reimbursement form - Category 2 agencies (Appendix 6).</li> <li>▪ Thereafter, the new agency/merged agency/function (Category 3 agency) recognises and funds its own liabilities.</li> </ul>
From Category 1 to 2 and Category 2 to 1	<ul style="list-style-type: none"> <li>▪ Agency will have calculations of LSL signed off by the agency's Chief Financial Officer. A signed summary report is to be forwarded to Treasury Finance to enable Treasury Finance to make the necessary funding transfers between the two category pools and complete the necessary journal entries.</li> </ul>

## Appendix 3 - Non-Cash Journal for Category 1 agencies



Treasury

**FORWARD TO:** The Financial Accountant  
NSW Treasury

Email: crown\_monthly\_journal@treasury.nsw.gov.au

**Crown New Profit**

**Centre No/Prime**

**Agency Number:** \_\_\_\_\_

**Reference Number:** \_\_\_\_\_

Please arrange for undermentioned journals to be made:

SPECIAL DEPOSITS	Tax Code	CROWN ACCOUNT NUMBER	DEBIT \$	CREDIT \$
<b>DEBIT</b>				
LSL Liability & consequential costs assumed by the Crown		842000	-	-
LSL Change expense Current Year Movement: <i>for year-end present value valuation adjustments (Year end ONLY)</i>		842004	-	-
<b>CREDIT</b>				
LSL Liability & consequential costs accepted by the Crown		837504	-	-
<b>TOTAL</b>			-	-

**Reason:** e.g. specify which month that the LSL journal is related to

**Note**

1. This form must be sent to NSW Treasury on or before the 3rd working day of the month following the month end.
2. To avoid duplicate postings, Agencies must NOT send the same journal twice.
3. Agencies can send the journal via email in PDF format or Excel format. For the latter case where the signature cannot be put in the

**Date:** \_\_\_\_\_  
**Contact:** \_\_\_\_\_  
**Telephone Number:** \_\_\_\_\_  
**Email:** \_\_\_\_\_

**Signed** \_\_\_\_\_  
**Title** Chief Financial Officer or authorised officers  
delegated by Chief Financial Officer

# Appendix 4 - LSL reimbursement form - Category 1 agencies



Treasury

The Financial Accountant

Please send to **Crown\_Reimbursements@treasury.nsw.gov.au**

52 Marin Place, SYDNEY NSW 2000

## Reimbursement of Long Service Leave Expenditure - Category 1 agencies Crown Funded LSL Agencies

Agency Name \_\_\_\_\_

Prime agency number/Crown SapConnect profit centre \_\_\_\_\_ Agency Voucher Number \_\_\_\_\_ of / \_\_\_\_\_ (date)

Please reimburse the undermentioned amounts to the:

Operating account Name: \_\_\_\_\_  
(BSB) \_\_\_\_\_ (ACCOUNT) \_\_\_\_\_

Bank account held at: \_\_\_\_\_  
(eg Westpac, ANZ etc, including location)

Treasury Finance/Crown Payment Account	Crown SapConnect Account Number	Amount \$
<b>Long Service Leave Payments Made</b>	<b>837501</b>	
<b>Long Service Payments Made-Staff Transferred Out</b>	<b>837503</b>	
	<b>Total</b>	

The above reimbursement claim includes the transferring officers reimbursement as shown below.

Provide below the details of Long Service Leave paid to transferring officers ONLY included in this reimbursement claim. The total of transferring amount must agree with the Crown Account Number 837503.

Transferring Officer Name	Transferee Agency Name	Prime Agency Number/Crown SapConnect profit centre number	Amount \$
<b>Total equal to Crown Account No. 837503</b>			

The reimbursement detail above is only for long service leave in respect to those employee funded from the Crown Finance Entity.  
It does not included any cost eg, payroll tax.

Date:

Contact:  
Telephone Number:  
Email:

\_\_\_\_\_  
Signature of Authorising Officer in accordance with delegation sections  
under *Government Sector Finance Act 2018*

**Appendix 5 - LSL receipt voucher - Category 1 agencies**



**Treasury**

**Receipt: Category 1 - Crown Funded LSL Agencies**

Statement of Collections Remitted to the Crown on: \_\_\_\_\_

Agency Name: \_\_\_\_\_

Prime agency number  
/Crown SapConnect  
profit centre: \_\_\_\_\_

Deposited to: Crown Finance Entity (BSB) 012100 (Account No) 838163575  
ANZ Bank, Australia

Account Name	Account Number	Amount
<b>LSL Receipts-Transferred-In Officers</b>	<b>858031</b>	
		\$

**Details of LSL for transferring-in Officers**

Transferring-In Officer Name	Transferring Agency Name	Transferring Agency Number/Crown SapConnect Profit Centre Number	Amount
			\$

Accounting Officer: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Please send completed form to :  
Email: Crown\_Receipts@treasury.nsw.gov.au

# Appendix 6 - LSL reimbursement form - Category 2 agencies



Treasury

Please send to [Crown\\_Reimbursements@treasury.nsw.gov.au](mailto:Crown_Reimbursements@treasury.nsw.gov.au)

52 Martin Place, SYDNEY NSW 2000

## Reimbursement of Long Service Leave Expenditure - Category 2 agencies Agency Funded Crown LSL Pool

Agency Name: \_\_\_\_\_

Prime Agency Number/Crown SapConnect profit centre \_\_\_\_\_ Agency Voucher Number \_\_\_\_\_ of / \_\_\_\_\_ (date)

Please reimburse the undermentioned amounts to the:

Operating account Name: \_\_\_\_\_  
(BSB) \_\_\_\_\_ (Account No.) \_\_\_\_\_

Bank account held at: \_\_\_\_\_  
(eg, ANZ, Westpac etc, including location)

Crown Finance Entity Payment Account Name	Crown SapConnect Account Number	Amount
Non Budget LSL Pool Reimbursements to Agencies: <i>Agency Funded Crown LSL Pool</i>	842010	
	<b>Total</b>	

The above reimbursement claim includes the transferring officers reimbursement as shown below.

Provide below the details of Long Service Leave paid to Transferring Officers ONLY included in this reimbursement claim.

Transferring Officer Name	Transferee Agency Name	Transferee Prime Agency Number/Crown SapConnect Profit Centre Number	Amount

The reimbursement detail above is only for long service leave in respect to those employee funded from the Agency Funded Crown LSL Pool. It does not included any cost eg, payroll tax.

Date:

Contact:

Telephone Number:

Email:

\_\_\_\_\_  
Signature of Authorising Officer in accordance with delegation sections under *Government Sector Finance Act 2018*

## Appendix 7 - LSL receipt voucher - Category 2 agencies



Treasury

Statement of Remittance to the Crown on: \_\_\_\_\_

Agency Name: \_\_\_\_\_

Prime agency  
number/Crown

SapConnect Profit Centre: \_\_\_\_\_

Deposited to:

Crown Finance Entity (BSB) 012100 (Account No) 838163575  
ANZ Bank, Australia

Account Name	Account Number	Amount
Non Budget LSL Pool Contributions from Agencies	858000	
		\$

### Details of LSL for transferring-in Officers

Transferring-In Officer Name	Transferring Agency Name	Transferring Prime Agency Number/Crown SapConnect Profit Centre Number	Amount
			\$ -

Accounting Officer: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Please send completed form to :

Email: Crown\_Receipts@treasury.nsw.gov.au

## Appendix 8 - Sample of Provision of long service leave - Certificate of Reconciliation extract from the Crown Data Return<sup>5</sup>

### LSL and on-costs liabilities

Year Ending 30 June 2021

	\$'000
<b>Crown Funded LSL Agencies</b>	
LSL (present value) and the related defined benefit superannuation on-cost liability assumed by the Crown as at 30 June 2021 (Not appearing in the agency's financial statements)	
<b>Agency Funded Crown LSL Pool</b>	
LSL liability (present value) as at 30 June 2021 (LSL liability appearing in the agency's financial statements)	

### Provision for long service leave – certificate of reconciliation

Year Ending 30 June 2021

Crown Funded LSL Agencies- Category 1 agencies only i.e. for those agencies whose LSL is assumed by the Crown

Whole dollars	
<b>Movements for 2020-21</b>	
LSL present value as at 30 June 2021 <i>(including the defined benefit superannuation on-cost)</i>	As per advice from Treasury
Opening LSL present value balance as at 1 July 2020 <i>(including defined benefit superannuation on-cost)</i>	As per previous year advice from Treasury as at 30 June 2020
Movements for 2020-21	
<b>Movements represented by</b>	
Add: LSL expense for 2020-21	As per Crown G/L account 842000 for monthly accrual of LSL expense and assumed on-costs
Add/Less: LSL expense- present value adjustments 2020-21	Crown G/L account 842004 for present value adjustments
Less: payments for 2020-21	As per Crown G/L account 837501
Less: Staff transferred out-cash payments	As per Crown G/L account 837503
Add: staff transferred in - cash receipts	As per Crown G/L account 858031
Add/Less: staff transferred in (add) or transferred out (less) i.e. non-cash transfers within Crown Funded LSL Agencies	
Adjustment(s)	Reason to be identified below
<b>Movements for 2020-21</b>	
<b>Reason(s) for adjustment</b>	

<sup>5</sup> Agencies should use the Crown Data Return in Excel provided in the annual policy on Agency Guideline for the Mandatory Annual Returns to Treasury to complete the LSL information.

## Appendix 9 - Appendices 3 to 7 Excel templates

Appendix 3 - Non-cash journal for Category 1 agencies	 Appendix 3- Non Cash LSL journal for
Appendix 4 - LSL reimbursement form - Category 1 agencies	 Appendix 4-Treasury Finance_!
Appendix 5 - LSL receipt voucher - Category 1 agencies	 Appendix 5- Treasury Finance_Cr
Appendix 6 - LSL reimbursement form - Category 2 agencies	 Appendix 6-Treasury Finance_!
Appendix 7 - LSL receipt voucher - Category 2 agencies	 Appendix 7- Treasury Finance_Cr