Annual Leave Loading Q&A

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Q1. What is an annual leave loading entitlement?

A1. An annual leave loading is a payment entitlement associated with the accrual of annual leave. If by 31 December in any year, you have qualified for four weeks annual leave in that year you will be entitled in respect of that leave to an annual leave loading payment of four weeks. If you commence with ACU National after 1 January or terminate employment prior to 31 December in any year, you will be entitled to a pro rata annual leave loading payment based on the annual leave you have accrued.

Q2. Who is entitled to the payment of an annual leave loading?

A2. If you are a continuing and fixed-term staff member you are entitled to an annual leave loading, whereas if you are a casual staff member you have no entitlement to an annual leave loading payment.

Q3. How is the annual leave loading calculated?

A3. A staff member who, as at 31 December in any year, has qualified for four weeks annual leave in that year shall be entitled to an annual leave loading equal to 17.5% of four weeks salary. A maximum payment applies which is equivalent to the Commonwealth Statistician's average weekly total earnings of all males (Australia) for the preceding September quarter. This caps the payment to a maximum rate so that some higher salaried staff receive less than the 17.5%.

A staff member who commences employment after 1 January or terminates employment prior to 31 December in any year, will be entitled to a pro rata annual leave loading payment based on the number of completed days of continuous service in that year.

Q4. When is the annual leave loading paid?

A4. Payment of annual leave loading will normally be made in the last pay in December each year. However, staff employed under the terms and conditions of an AWA may elect to have the leave loading paid on a fortnightly basis.

Q5. Do I pay PAYG taxation on the Annual Leave Loading?

A5. The first $320 of your annual leave loading in a tax year is not taxed, however, thereafter it is taxed at your marginal tax rate.

Q6. How do I find out further information in relation to the payment of an annual leave loading?

A6. You can refer to the Personnel Relations and Equal Opportunity Directorate website for policy information, discuss the policy with your nominated supervisor and/or contact your local Personnel Relations Consultant.