

# SPC Reform – Voluntary Redundancy Program FAQs

## Why are voluntary redundancies being offered as part of the SPC Reform?

A voluntary redundancy (VR) program will commence ahead of the Restructure Management Plan (RMP) and will offer employees an opportunity to consider their options concerning redundancy prior to the commencement of the RMP. This also provides the agency with insight into where possible workforce gaps could be going forward.

## How does the voluntary redundancy program fit into the overall SPC Reform Program?

The VR program will commence prior to, but run alongside, the SPC RMP.

As part of the RMP, a new organisational structure will be proposed for SPC and released for consultation. The VR program will support the RMP and implementation of the final approved new SPC structure by providing the agency with insight into where the workforce gaps will be.

The RMP details how the reform will be implemented, the different phases of the reform and the implementation timelines.

## How will the voluntary redundancy program be implemented?

The SPC VR program is guided by the NSW Public Service Commission [Voluntary Redundancy Program Guidelines](#).

The program will commence on Monday 1 February 2021 with a written invitation for an expression of interest (EOI).

The closing date for EOIs will be Monday 15 February 2021 at 5pm.

Following this, the SPC executive team will consider all the EOIs received against the future needs and capabilities required across SPC.

VR offers are expected to commence in late March 2021.

## Will I be guaranteed a VR if I submit an EOI?

No, submitting an EOI does not guarantee that a formal offer of a VR will be made to you. A VR is offered at the discretion of the agency.

## Who is eligible for a voluntary redundancy?

Only ongoing SPC employees are eligible for a VR. Temporary, casuals and contractors are ineligible as per the NSW Public Service Commission [Voluntary Redundancy Program Guidelines](#)

## What is the timeline for the SPC VR program?

The SPC VR program will open with the EOI on Monday 1 February 2021 and close Monday 15 February at 5pm.

Following this, the SPC executive team will consider all the EOIs against the future needs and capabilities required across SPC.

VR offers are expected to commence in late March 2021.

## Will this be the only opportunity for a VR during the SPC reform program?

No. If an employee goes through the RMP process and is declared excess to the needs of the business, they will be managed in accordance with the [Managing Excess Employees](#) policy.

Employees who are declared excess will be provided with an estimated VR calculation to assist them to make an informed decision.

## What happens if I am offered a VR in response to my EOI?

If a VR offer is made, you will have 14 calendar days to accept/reject the offer. The VR offer will detail your estimated VR payment as provided by payroll and includes accrued entitlements. If you accept the VR offer, you will either exit your role within 14 calendar days of accepting the VR or at later date which would be determined by the operational needs of SPC.

## Can I change my mind after submitting my EOI for a VR?

Yes, please advise the SPC Reform team if you decide to rescind the EOI you submitted; however you are only able to rescind your EOI prior to a formal offer of a VR being made to you.

## Can I change my mind after accepting a VR offer?

Once a formal VR offer is offered and accepted, it cannot be revoked.

## How can I calculate my VR payment?

The formula used for calculating VR payments is detailed on page 7 of the [Voluntary Redundancy Program Guidelines](#). *(Note: A VR financial estimate will not be provided to a staff member at this stage of the process. An estimate of the final VR payment will only be provided to an employee when an offer is made).*

**TAB A** contains additional guidance from Payroll (see page 4 and 5).

## How can I access financial expertise on the implications of accepting voluntary redundancy packages?

Staff are encouraged to seek their own finance advice. The [Voluntary Redundancy Program Guidelines](#) provide information about the payment and financial tax and superannuation implications.

## What support is available for staff?

This period of change will be challenging for everyone. As an agency, we are committed to supporting our employees and we will provide as much stability as possible.

Ongoing support is available through our Employee Assistance Programs:

<p><b>Converge International (former FACS)</b> Telephone: 1300 687 327 Email: <a href="mailto:eap@convergeintl.com.au">eap@convergeintl.com.au</a></p>	<p>Provides staff with confidential coaching, counselling and support for workplace and personal issues. Face-to-face or telephone coaching sessions are available.</p>
<p><b>Benestar (former Justice)</b> Telephone: 1300 360 364 Website: <a href="http://www.benestar.com">www.benestar.com</a></p>	<p>MyCoach sessions are available for personal and confidential support to navigate you through challenging issues, or coach you on ways to enhance your wellbeing. You can choose whether you would prefer to meet face-to-face, to talk over the telephone, or to have video counselling sessions.</p>

## Where can I find out more?

Please speak to your line manager if you have queries or concerns or contact the SPC reform team via [SPCReformTeam@facs.nsw.gov.au](mailto:SPCReformTeam@facs.nsw.gov.au)

Current as at 1 February 2021

## Additional guidance from Payroll

### Employee Details

- Years of service used to assess the VR payment must be continuous (no breaks of more than 2 months) and some periods of leave without pay may affect the period of assessable service. Casual service or contractor appointments are not included for the determination of the start date of service for calculating termination benefits.
- Employee details as reflected by the current information in SAP at the time the estimate is prepared. Should any of these details be incorrect please contact the SPC Reform Team. Both temporary and permanent service is recognised.

### Salary Details

- The salary details are the existing substantive annual rate payable at the last day of duty and will be used for the calculation of all entitlements. Please note Temporary Assignment Allowances are not taken into account unless they exceed a period of 12 months continuous.

### Payment Details

- The following benefits are calculated for Voluntary Redundancy only and will vary for Involuntary/Forced Redundancies, Severance Payments and Eligible Termination Payments for employees aged over 65 years:
  - In lieu of notice - A payment of four weeks' notice or payment in lieu. For employees aged 45 years and over with five or more years of completed service, an additional one week's notice or payment in lieu
  - Severance payment is calculated at the rate of three weeks per year of continuous service, with a maximum of 39 weeks, with pro-rata payments for incomplete years of service to be on a quarterly basis.
  - Incentive payments based on years of service/ length of service – see additional payment

Length of service	Additional payment
Less than one year	Two weeks pay
One year and less than two years	Four weeks pay
Two years and less than three years	Six weeks pay
Three or more years	Eight weeks pay

### **Tax Free component**

- Any payment made which is an employer employment termination payment (ETP) and meets the conditions for payments under an approved early retirement scheme or redundancy, is tax-free up to the limit for that year.
- The limit is indexed annually and for financial year 2020/21 is \$5,496 for each whole year of completed service plus \$10,989. Payments within these limits are totally exempt from Income tax and do not form part of the ETP.
- Unused leave entitlements are not included in the tax-free portion.

### **Employment termination Payment (ETP)**

- Where there is a redundancy payment in excess of the tax-free limit at Lump sum D, the excess will be regarded as an ETP. Accrued unused leave entitlements are never ETP's. There are two possible components of an ETP paid by an employer:
  1. The tax-free component (pre 1 July 1983 component)
  2. The taxable component (post 30 June 1983 component)
- The taxable component is applied in accordance with applied monetary limits and the employee's age.

**Recreation Leave Payment** – represents the payment for unused recreation leave entitlements at the last date of duty. This payment includes any leave loading due to be paid and pro rata leave loading for the current leave year. Taxation on unused recreation leave on redundancy is fixed at 32%.

**Extended Leave (Long Service)** – represents the payment for unused long service (extended) leave entitlements at the last day of duty. Taxation is calculated in accordance with rates applicable to the period of accrual.