

# VOLUNTARY REDUCED WORKING YEAR PROCEDURE

## SCOPE

This procedure applies to continuing and fixed-term staff employed by the University, herein collectively referred to as 'you' for the purpose of this procedure.

This procedure does not apply to seasonal staff members, annualised hours staff members or academic staff under periodic academic employment.

For the purpose of this procedure, references to 'the University' includes Monash University Australia, unless indicated otherwise ('us', 'our' or 'we').

## PROCEDURE STATEMENT

This procedure outlines the conditions and application process (in addition to those detailed in the relevant enterprise agreement) for staff seeking to undertake a voluntary reduced working year.

### 1. Eligibility and conditions

- 1.1 In order to support staff with personal and/or family commitments and to assist them to achieve work/life balance, we provide the opportunity for eligible staff to extend their leave options by applying for a reduced working year.
- 1.2 The voluntary reduced working year (VRWY) scheme allows you to reduce your working year by multiples of two weeks, up to a maximum of eight weeks within a nominated 12-month period.
- 1.3 This enables you to apply for either two, four, six or eight weeks of additional leave with a proportionate reduction in salary spread over 12 months.
- 1.4 Additional leave purchased will not attract annual leave loading and must be taken during each 12-month period of the reduced working year arrangement.
- 1.5 The different VRWY options are detailed in the table below.

Voluntary Reduced Working Year	Additional leave
50/52 (50 week working year)	2 additional weeks of leave
48/52 (48 week working year)	4 additional weeks of leave
46/52 (46 week working year)	6 additional weeks of leave
44/52 (44 week working year)	8 additional weeks of leave

- 1.6 In order to be eligible for a VRWY, you must:
  - be a continuing or fixed-term staff member (full time or part time);
  - have at least 12 months remaining on your contract; and
  - not have any excess annual leave or excess long service leave balances.
- 1.7 If you opt into a VRWY scheme, you must use all annual leave accrued during the 12-month term of the VRWY as well as your additional VRWY leave.
- 1.8 The VRWY scheme lasts for a period of 12 months and you will revert to a standard 52 week working year at the end of the 12-month period. If you wish to renew your VRWY, you must submit a new VRWY application.
- 1.9 For further information on the conditions of this scheme staff should refer to the relevant Enterprise Agreement.

## 2. Calculation of salary and entitlements

- 2.1 If you are participating in the VRWY scheme, your salary will be proportionately reduced over the 12-month term of the VRWY to offset your additional leave.
- 2.2 Other employment entitlements during the term of the scheme will be accrued or paid at the reduced rate during the 12-month term of the VRWY including (but not limited to):
- annual leave;
  - annual leave loading;
  - sick and carer's leave;
  - overtime payment; and
  - annual incentive payment (where applicable).
- 2.3 Long service leave accrued during the term of the scheme will be paid at the average service fraction over the leave accrual period.
- 2.4 The below example calculations are to be used as a guide only. For assistance calculating the impact a VRWY will have on your salary, contact Access HR on 03 9902 0400 or [hr@monash.edu](mailto:hr@monash.edu). In addition, we encourage you to seek independent financial advice before entering a VRWY scheme.

### Full time staff (example)

Type of VRWY	Formula	Example <i>(based on ordinary salary of \$52,000)</i>
50/52	The new salary rate will be 96.15% of the ordinary salary.	$\$52,000 \times 0.9615 = \mathbf{\$50,000}$
48/52	The new salary rate will be 92.31% of the ordinary salary.	$\$52,000 \times 0.9231 = \mathbf{\$48,000}$
46/52	The new salary rate will be 88.46% of the ordinary salary.	$\$52,000 \times 0.8846 = \mathbf{\$46,000}$
44/52	The new salary rate will be 84.62% of the ordinary salary.	$\$52,000 \times 0.8462 = \mathbf{\$44,000}$

### Part time staff (examples)

Type of VRWY	3 days per week <i>(based on ordinary salary of \$52,000)</i>	4 days per week <i>(based on ordinary salary of \$52,000)</i>
50/52	$\$52,000 \times 0.9615 = \$50,000$ $\$50,000 \times 0.6 \text{ FTE} = \mathbf{\$30,000}$	$\$52,000 \times 0.9615 = \$50,000$ $\$50,000 \times 0.8 \text{ FTE} = \mathbf{\$40,000}$
48/52	$\$52,000 \times 0.9231 = \$48,000$ $\$48,000 \times 0.6 \text{ FTE} = \mathbf{\$28,800}$	$\$52,000 \times 0.9231 = \$48,000$ $\$48,000 \times 0.8 \text{ FTE} = \mathbf{\$38,400}$
46/52	$\$52,000 \times 0.8846 = \$46,000$ $\$46,000 \times 0.6 \text{ FTE} = \mathbf{\$27,600}$	$\$52,000 \times 0.8846 = \$46,000$ $\$46,000 \times 0.8 \text{ FTE} = \mathbf{\$36,800}$
44/52	$\$52,000 \times 0.8462 = \$44,000$ $\$44,000 \times 0.6 \text{ FTE} = \mathbf{\$26,400}$	$\$52,000 \times 0.8462 = \$44,000$ $\$44,000 \times 0.8 \text{ FTE} = \mathbf{\$35,200}$

## 3. Superannuation

- 3.1 If you make standard member superannuation contributions as part of either your Defined Benefit or Accumulation 2 membership, you have the option to continue to make these contributions based on your full salary or based on the reduced VRWY salary. Further information on the University's superannuation scheme can be found in the [Superannuation](#) procedure. The table below details your superannuation options and the corresponding action made by us.

If you...	Then we will...
continue to make standard member contributions based on your full salary	continue to make employer contributions based on your full salary.
reduce your standard member contributions based on the reduced VRWY salary	make employer contributions based on the reduced VRWY salary.
do not make standard member contributions	

3.2 If you are with a fund other than UniSuper we will only make employer contributions based on the reduced VRWY salary.

## 4. Applying for VRWY scheme

- 4.1 You should discuss your intention to apply for the VRWY scheme with your supervisor including when you plan to take your additional leave.
- 4.2 To apply for a VRWY, complete the [VRWY online form](#). Your VRWY must commence at the beginning of a pay period.
- 4.3 Applications for the VRWY scheme must be approved by both your supervisor and Head of Unit.
- 4.4 Requests for VRWY may be refused on reasonable operational grounds and/or other reasonable grounds as determined by the University.

## 5. Taking leave

- 5.1 Once your VRWY has been approved, you must apply for leave in [ESS](#) using the appropriate leave type (50/52 leave, 48/52 leave, 46/52 leave or 44/52 leave) which is subject to your supervisor's approval.
- 5.2 All of your additional VRWY leave will become available to you at the commencement of your participation in the VRWY scheme.
- 5.3 If your leave plans change during your VRWY, you must discuss this with your supervisor as soon as possible. Together, you should establish a new plan in order to exhaust all your VRWY leave prior to the scheme expiry date. Once agreed, you must alter your VRWY leave dates in ESS.

## 6. Exiting the scheme

- 6.1 The VRWY scheme lasts for a period of 12 months and you will revert back to a standard 52 week working year at the end of the 12-month period. If you wish to renew your VRWY, you must submit a new [VRWY application](#).
- 6.2 If you have not used all of your VRWY leave by the end of the 12-month period, you may seek a pro-rata reimbursement of the unused VRWY leave.
- 6.3 To do this, you must notify Monash HR, Payroll Services and confirm your unused portion of VRWY leave with them, prior to the end date of your VRWY scheme. Monash HR, Payroll Services will then calculate and process your pro-rata reimbursement.
- 6.4 VRWY leave will not be carried over to the following year. If there is any VRWY leave not taken by the end of the scheme period, you may not be eligible to apply for a VRWY arrangement the following year. In order to avoid this, please use all of your VRWY leave before using other types of leave.

## 7. Ceasing employment during a voluntary reduced working year

- 7.1 Where your employment ceases part way through a VRWY arrangement, we will reconcile the leave taken and deductions made as at the date of separation and:
- where you owe money to the University, we will contact you about the options available for repayment
  - where we owe you money, you will receive a lump sum payment as part of your final pay. Lump sum payments are taxed at marginal rates and do not attract superannuation.

## 8. Breach of procedure

- 8.1 The University treats any breach of policies or procedures seriously. The University encourages reporting of concerns about non-compliance and manages compliance in accordance with the applicable [Enterprise Agreement](#), relevant instrument of appointment and/or applicable contract terms. A failure to comply with policies, procedures and schedules may result in action by the University. Such action may include disciplinary and other action up to and including potential termination of employment for employees and cessation of other engagements for other persons.

## DEFINITIONS

Employer contributions	Members of UniSuper's Defined Benefit Division receive superannuation contributions equivalent to 17% of superannuable salary from the University.
Enterprise Agreement	<p>The Enterprise Agreement means the:</p> <ul style="list-style-type: none"> <li>• <a href="#">Monash University Enterprise Agreement (Academic &amp; Professional Staff) 2019 or the</a></li> <li>• <a href="#">Trades and Services staff (Building and Metal Trades staff) 2009 or the</a></li> <li>• <a href="#">Trades and Services staff (Catering and Retail, Cleaning and Caretaking, and Miscellaneous services staff) 2005</a></li> </ul> <p>as applicable to the staff member.</p> <p>Clauses relating to this procedure include:</p> <p>Monash University Enterprise Agreement (Academic and Professional Staff) 2019</p> <ul style="list-style-type: none"> <li>• <a href="#">Clause 33 - Voluntary Reduced Working Year</a></li> </ul> <p>Monash University Enterprise Agreement (Trades &amp; Services Staff- Building &amp; Metal Trades Staff) 2009</p> <ul style="list-style-type: none"> <li>• <a href="#">Clause 53 - Voluntary Reduced Working Year</a></li> </ul> <p>Monash University Enterprise Agreement (Trades and Services Staff - Catering and Retail, Cleaning and Caretaking, and Miscellaneous Services Staff) 2005</p> <ul style="list-style-type: none"> <li>• <a href="#">Clause 44 - Voluntary Reduced Working Year</a></li> </ul>
Excess annual leave	For professional and academic staff, is annual leave which is accrued beyond the maximum permissible limit of 30 days (or pro rata for part-time staff). Trades and services staff should refer to the <a href="#">relevant enterprise agreement</a> for excess annual leave provisions.
Excess long service leave	For professional and academic staff, is long service leave which is accrued beyond 136.5 calendar days (19.5 weeks), or pro-rata for part-time staff. Trades and services staff should refer to the <a href="#">relevant enterprise agreement</a> for excess long service leave provisions.
Standard member contribution	Members of UniSuper's Defined Benefit Division contribute member contributions at the standard rate of 7% of superannuable salary. Members may have reduced the 7% member contributions under UniSuper's contribution flexibility arrangements or salary packaged this contribution.

## GOVERNANCE

Parent policy	<a href="#">Leave and wellbeing</a>
Supporting procedures	N/A
Supporting schedules	N/A
Associated procedures	<ul style="list-style-type: none"> <li>• <a href="#">Annual leave (including excess annual leave)</a></li> <li>• <a href="#">Salaries, Allowances and Loadings</a></li> <li>• <a href="#">Superannuation</a></li> </ul> <p><b>Procedure forms</b></p> <ul style="list-style-type: none"> <li>• <a href="#">VRWY online form</a></li> <li>• <a href="#">ESS</a></li> <li>• <a href="#">Application for Leave and Special Leave [Online]</a></li> </ul>
Related legislation	N/A
Category	Operational
Approval	Chief Operating Officer 21 June 2022



Endorsement	Chief Human Resources Officer 31 May 2022
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