

Industry Engagement

Implementation of the new Community Services Industry (CSI)
portable long service leave scheme

Long Service Corporation
April 2025



Introduction to the CSI scheme



Traditional long service leave

- An additional period of paid leave that workers may be entitled to after working for a company for a certain number of years.
- Many workers in the community services industry work for different employers and don't always have 10 years' service with one employer to qualify for long service leave.

Portable long service leave

- Portable long service leave scheme for the community services industry starts from **1 July 2025**.
- Workers accrue long service benefits for all their paid work in the sector, rather than with a single employer.
- Eligible workers can claim up to 6 weeks' long service leave after **seven years** of service to the industry with one or more employers.
- The new scheme will be supported via a levy paid quarterly by employers. The rate has been set at **1.7% of a worker's gross ordinary wages, with levy payments commencing from April 2026**.
- The scheme provides an incentive for workers with skills, knowledge and experience to stay in the sector to support future growth.

Rewarding service to the sector



- From 1 July 2025 workers will accrue '**service credits**' for the time they are employed in the sector.
- 7 day pay cycle = 7 days service credits regardless of the number of hours worked.
- Workers can accrue a maximum of 365 service credits per year.

- Workers who are working at any time during the first six months of the scheme will be recognised as **Foundation Workers** of the scheme.
- The Long Service Corporation provides a bonus to these workers with a **gift of 365 days of service credits**.
- The scheme provides for workers to be able to access their paid long service leave after 7 years, however Foundation Workers can access paid leave after only 6 years.

Employer contributions

At the end of a quarter, employers submit a '**service return**' showing the days the worker was on their payroll.

Employers quarterly service returns need:

- The dates that the worker was employed
- The gross ordinary wages earned by the worker during the quarter
- The worker's DOB, email and phone number

Employer's service returns include a contribution to the fund through a levy of **1.7% of the workers gross ordinary wages**.

Service returns for the first three quarters:

- Jul–Sept 25
- Oct–Dec 25
- Jan–Mar 26

will all be due from April 2026.

Employers will need to budget and prepare for levy payments that will be due and payable from April 2026.

Who is covered by the scheme?



Community services are outlined in the Act, including 31 sectors* as follows:

Aboriginal and Torres Strait Islander community services
 Accommodation support services
 Alcohol and other drug services
 Child safety and support services
 Community advocacy services, including education and other services provided by peak bodies
 Community development services
 Community care services
 Community legal services
 Community mental health support services
 Community recreation services
 Community transport services
 Community welfare services
 Disability supports and services
 Employment services
 Family and domestic violence services

Family support services
 Financial counselling services
 Foster care services
 Homelessness support services
 Lesbian, gay, bisexual, transgender and intersex services
 Migrant and multicultural support services
 Neighbourhood and local community services
 Out-of-home care services
 Respite care services
 Settlement and refugee services
 Sexual assault services
 Social housing services
 Social work
 Women's health support services
 Youth justice services
 Youth support services

**This list may be subject to change*

Eligibility



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Eligible workers

Workers delivering community services work on a full-time, part-time or casual basis. All employers who employ community services workers must register them with the scheme.

Eligible employers

Employers whose **predominant purpose** is the delivery of community services work. All workers within these organisations must be registered with the scheme.

Self-employed contractors

Self-employed contractors performing community service work can opt-in to the scheme by registering themselves as workers. Their participation is not mandatory.

Out of scope

- Federal, State or Local Government employees.
- Partners, where the employer is a business partnership.
- Directors, where the employer is a corporation.

Employers Predominant Purpose



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Employers must determine
“Predominant Purpose”
through a self-evaluation process.

Employers will need to apply a
multi-factor test:

- Giving greatest weight to **core activities** and **resource allocation**, and
- Secondary factors such as the **organisation’s mission statement, constitution, strategic objectives, key performance indicators**, etc.

Descriptions of the scope of work included in the 31 categories of community service work have been developed.

We are currently developing resources and guidelines to support employers make the determination on their predominant purpose with confidence.

Transitional arrangements



1 July 2025

Employers remain responsible for long service leave entitlements accrued before 1 July 2025.

Employers start contributing to the **long service leave fund** instead of retaining funds for future worker claims.

Long Service Leave Act 1955

Community Services (Portable Long Service Leave) Act 2024

Enterprise Agreement (EA)

Community Services (Portable Long Service Leave) Act 2024

Workers with an existing entitlement can take their leave as they become eligible.

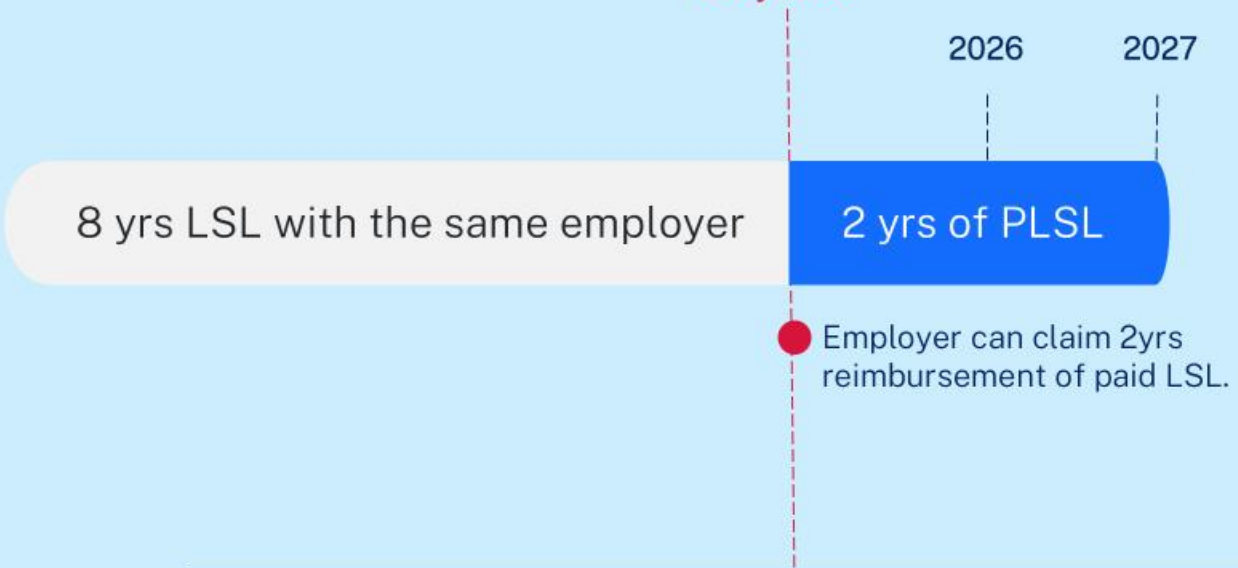


Sue has worked with her employer for 8 years.

Sue wants to know when she can claim for her Long Service Leave entitlements.



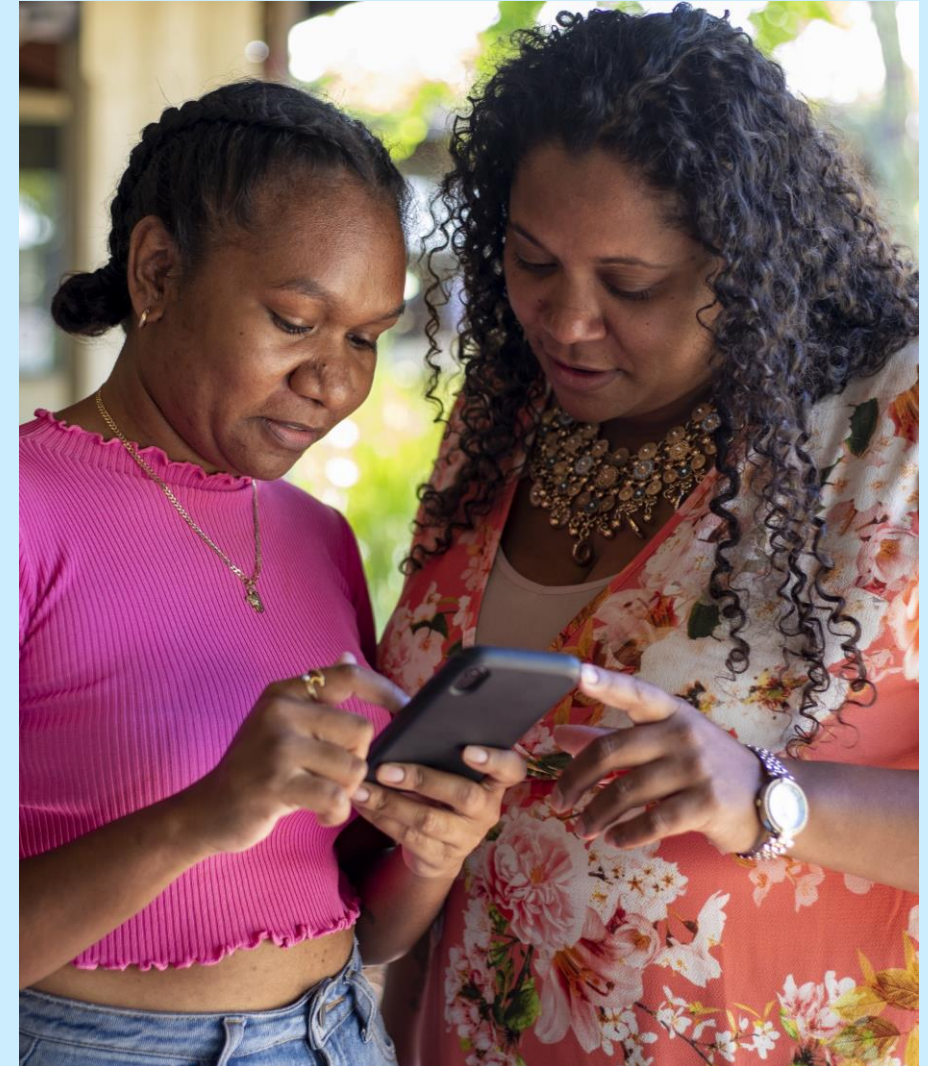
CSI SCHEME STARTS
1 July 2025



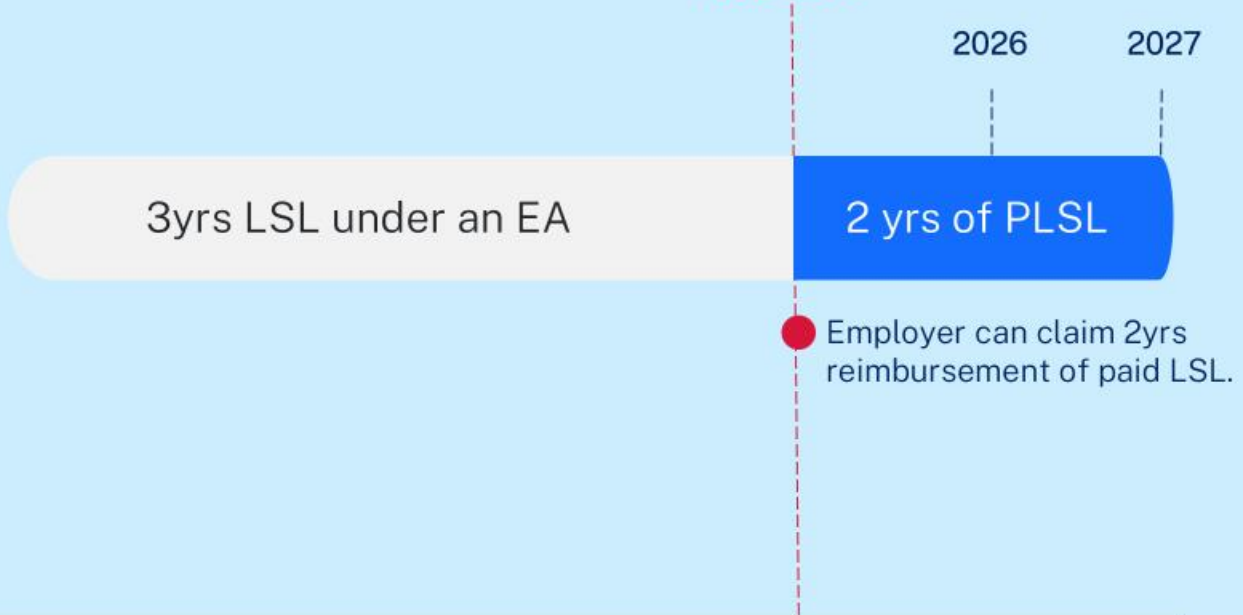
Sue will accrue her 10 years service under the *Long Service Leave Act 1955* in 2027. Sue's employer will pay entitlements directly to Sue and claim back the 2yr portion from the LSC fund.

Jill started with her current employer 3 years ago, under an Enterprise Bargaining Agreement.

When can Jill claim for her entitlements and who does she claim from?

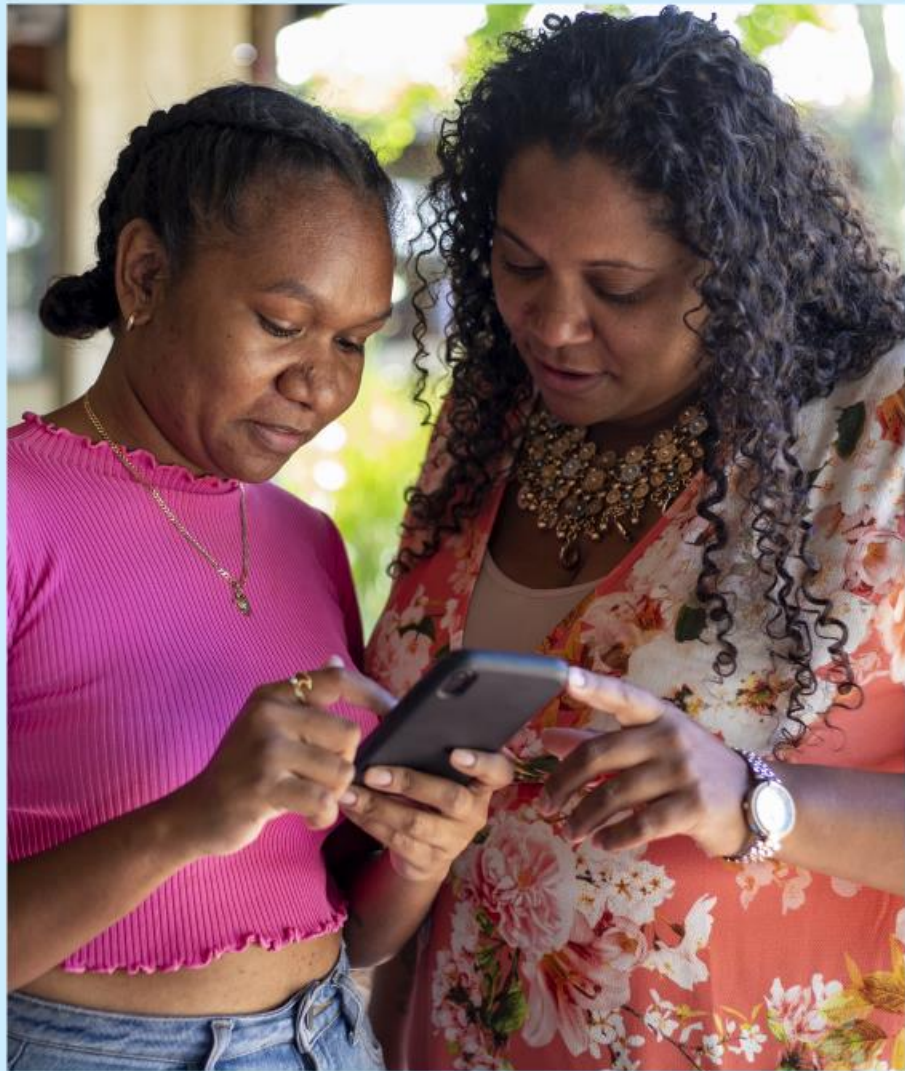


CSI SCHEME STARTS
1 July 2025



Jill will be eligible for LSL in 2027 under an *Enterprise Agreement* that allows her to claim after 5yrs of work with her employer.

Jill's employer will pay her LSL directly and then claim back the 2yr portion from the LSC fund.





Stevie has started work with their employer in July 2025.
When can they can claim their PLSL entitlements.



CSI PLSL STARTS
1 July 2025



Stevie gets the foundation worker bonus allowing them to claim 365 days early.

They will be eligible to claim their PLSL from LSC in 2031.

Breaks in service or leaving the scheme



Breaks in service

Workers can have a gap of up to **four years** in their service records without losing their entitlements held in the fund.

Prescribed non-service days may be added to a worker's record to cover absences from work include community work, pregnancy, caregiving, illness or injury, and domestic or family violence. Serious issues affecting immediate family members are also included.

Employers will need to advise the Corporation if non-service days are to be added to a worker's record.

Leaving the industry

In certain circumstances, workers who have been with the scheme for **5 years** and decide to leave the industry permanently can request a pro-rata payment instead of taking their long service leave.



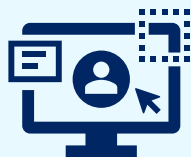
Preparing for the new scheme



From 1 July 2025, employers will need to:



Have determined their **predominant purpose** and understand if they need to register all or only some of their workers.



Complete an online employer **registration**.



Track their eligible **worker's service**, keeping records of:

- ✓ the worker's period of employment
- ✓ the total gross ordinary wages paid to each eligible worker during the return period
- ✓ the worker's D.O.B, email address and phone number.



Budget for **levy payments** of 1.7% of their worker's gross ordinary wages per quarter, with payments to start **from April 2026**.



Next steps



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Online information:

Information will continue to be updated on the LSC website. Subscribe for email updates.

Development of resources:

- Category descriptions
- Guidelines on determining predominant purpose
- Template for tracking worker service
- Employer fact sheet
- FAQ

Industry education:

LSC will provide detailed information on the registration and levies process prior to scheme commencement with options available for metropolitan, regional and online participation.

Resource	Location
For a detailed overview of the scheme and latest news	https://www.longservice.nsw.gov.au/community-services-industry
Subscription to regular email newsletter scheme updates	https://www.longservice.nsw.gov.au/community-services-industry/subscribe
Contact the LSC	Email our team at communityservices@longservice.nsw.gov.au Or call 13 14 41



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