



A joint enterprise of employer associations
and unions in the building and
construction industry

Apprentices and Redundancy



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Incolink -
How does an
apprentice
benefit?



How Incolink works

For every contribution paid into Incolink on behalf of other employees, an apprentice levy is applied.

This levy provides a redundancy entitlement to apprentices if they qualify to make a claim. Due to the special nature of the apprentice employment contract, redundancy entitlements are only available in certain circumstances. (See Apprentice Claims section for more information).

How is my entitlement calculated?

A record of the number of days you have worked on commercial/ industrial construction site, days on leave, days on workers compensation, days at school, rostered days off or public holidays; are provided to Incolink by your employer each month. The entitlement is calculated according to the number of days and the contribution rate that was applicable during each year of your apprenticeship:

- 1st year - 50% of contribution rate
- 2nd year - 50% of contribution rate
- 3rd year - 75% of contribution rate
- 4th year - 95% of contribution rate

When is my entitlement calculated?

During your apprenticeship your entitlement is dependant on the amount of days you have worked on commercial sites and that have been logged with Incolink by your employer.

Once you have completed your apprenticeship and are **working in industry as a tradesperson**, you will be entered onto our system as an employee and your apprentice days will be credited to your **redundancy account** once you have accumulated 52 weeks of contributions. The credit of days you built up while an apprentice will be converted into a dollar amount.

It is very important you inform Incolink once you complete your apprenticeship.

Will tax be deducted?

All redundancy payments made to you will be subject to the current rate of taxation. If you hold a Genuine Redundancy Account you may be eligible for nil or reduced tax.

Tax on benefits

When processing the claim, Incolink will deduct tax at the current rate determined by the Australian Tax Office.

It is not against the law for workers not to provide Incolink with their Tax File Number (TFN). However, if they do not provide us with their TFN or confirmation of their exemption from this requirement, tax will be deducted at the maximum marginal tax rate.

When Incolink processes a claim, we will also send you a Group Certificate to use when making your annual tax return.

How Incolink benefits apprentices

Apprentice Claims

If you work on a commercial/industrial construction site, your employer will either provide Incolink with the number of days you work on site or provide Incolink with redundancy contribution payments, if required under an Industrial Instrument. Days on site includes days on leave, days on workers compensation, days at school, rostered days off or public holidays.

During your apprenticeship, if you become unemployed due to lack of work and you have worked on commercial/industrial construction sites, you may be entitled to make a redundancy claim.

If an apprentice becomes unemployed, they can claim their apprenticeship days as redundancy in the following situations.

- A) An apprentice completes their apprenticeship, then completes 52 weeks within the commercial/industrial building industry, and their employer/s have paid 52 weeks of employer contributions into Incolink during that period.
- B) An apprentice who has not yet finished their apprenticeship is laid off due to a lack of work and there is no arrangement with their employer to re-employ them, and where the apprentice training agreement is cancelled or suspended.

- C) An apprentice completes their apprenticeship, and is then laid off due to a lack of work within the next 52 weeks. There must be no arrangement with the employer to re-employ them.

To be eligible to have the days paid out as redundancy under situation A, the apprentice and the employer must complete and lodge an **Initial Claim Form**.

Under situations B and C the apprentice and the employer are required to complete and lodge an **Initial Claim Form**, an **Application for Payment of Apprentice Credits Claim Form**, and provide supporting documentation confirming the cancellation of your apprenticeship training contract. Information and documentation relating to the cancellation of your apprenticeship can be obtained by contacting the **Apprenticeship Administration Information Line** on: **1300 722 603**.

Incolink Accounts

You are able to select how your redundancy funds are treated, the account options are:

- An **Incolink Severance/Redundancy Account** (the default account), which provides access to your funds if your employment is terminated for any reason. However, payments are taxed in accordance with ATO requirements – subject to eligible concessions.
- An **Incolink Genuine Redundancy Account (GRA)**, which provides you access to funds if you are made genuinely redundant (i.e. the job is no longer required by your employer). If you hold a GRA, you will be eligible to claim part or all of your balance at a nil or reduced tax. For more information, refer to the Incolink Genuine Redundancy Account Brochure.

PLEASE NOTE:

You should seek independent advice before selecting a Genuine Redundancy Account.

To select a Genuine Redundancy Account, you will need to complete the Incolink Genuine Redundancy Account Application Form. To obtain a copy of this form please contact Incolink or download it from www.incolink.org.au.



Other Incolink Benefits

Leisure Time Personal Accident Insurance

If you work in the commercial/industrial building industry and your employer provides us with the days you work on these sites, or is paying Incolink Redundancy contributions, you will receive Free Personal Accident Insurance Cover.

Benefits include a weekly benefit for up to 3 years for an accident which occurs outside working hours and prevents you from working. Additional benefits include; Capital benefits, Broken Bones benefits and a Funeral benefit.

Cover is also extended to your dependants for Dental Accident occurring outside working hours only. Emergency Transport for ambulance usage is covered anywhere in Australia, provided it is not work related and not covered by any statutory transport accident scheme.

This insurance will apply whilst apprentice days and or employer contribution payments continue and remain current. (Conditions and exclusions apply)

Income Protection & Trauma (IPT) Insurance

If your employer is paying IPT contributions during your apprenticeship you will receive insurance cover for Leisure Time Illness, Workcover Top-Up, Workplace Trauma and TACTop-Up.

Portable Sick Leave (PSL)

The PSL scheme has been set up to take over the sick days you would normally lose when you leave or are terminated by your current employer. Incolink has purchased an Insurance Policy to cover workers in the building and construction industry who have a remaining balance at the time of termination.

If you are eligible to receive PSL and your employer is paying the agreed PSL contribution payments during your apprenticeship, you will be covered by this scheme. The maximum number of days claimable during the life of the policy for any individual worker is 100 days. If you leave the industry or have not received PSL contribution for 2 years you will lose these days.

PLEASE NOTE: Insurance cover is only available for those workers where the employer continues to pay the relevant contributions. If a period exists where no contribution has been paid on your behalf whilst employed, then no cover will apply for such period. Gaps in contribution payments will mean no cover will apply.

FREE Member Support

Incolink Apprentice Support Workers

If you are an apprentice in the building and construction industry, it can be hard when you first start out. If you need some help either at work or at home, please call the Apprentice Support Workers on **(03) 9668 3061** or **0408 343 757/0438 013 884**.



Employment Services

The Incolink employment service offers you assistance to find a job and help to prepare a resume. The service has a register for any Incolink employers wanting to post a job offer free of charge.

The employment service is also free to all members.

Please phone an Employment Advisor on **(03) 9668 3061**.



Ensure you know what insurance benefits you have. Refer to the Building and Construction Accident and Illness Benefits Program brochure.



Download or call Incolink for a copy.



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Incolink. Here to help.

1 Pelham Street, Carlton VIC 3053

Telephone: (03) 9639 3000

Facsimile: (03) 9662 9266

Freecall: 1800 337 789

(Available regional areas only, not from mobile phones or the Melbourne metro region)

Email Member Services: memberserv@incolink.org.au

www.incolink.org.au

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