

Product Information Guide

Key Features of the CCFS Long Service Leave (LSL) Accumulator Account



Ministers and employee's entitlements represent a significant component of their remuneration. For churches and agencies, these entitlements represent a liability that must be reliably funded and paid out at some time in the future. In this regard, ministers and employees seek tangible assurances that their entitlements are secure and as good stewards, churches want to give these assurances.

CCFS provides the solution, with a structure for funding and securing minister and employee entitlements that is independent and unexposed to the financial position of the church.

Key features of the CCFS LSL Accumulator account include:

1. The account is employer owned and controlled - The employer decides when to contribute and redeem funds
2. Regular and flexible contributions - Predictable cash flow
3. Limited access - Funds only available on certain LSL trigger events such as termination or eligibility for leave, or exceptional circumstances. This provides a level of comfort that funds are available when needed
4. Compounding interest - Assists the church to fund the growing LSL liability
5. Fee free - Prevents the erosion of funds
6. Online access - Information easy to retrieve for reconciliation and reporting purposes
7. Quarterly account statements - Written documentation for audit purposes
8. Compliant with state and federal legislation - Provides peace of mind in relation to church stewardship
9. Simple and convenient - Keeps you free to focus on mission
10. CCFS is independent of the employee/employer relationship - Provides assurance that the church can meet its LSL obligations when required

Frequently Asked Questions

Q1. Why are the MEBS closure arrangements so complex?

- A. Good question. It is complex for several reasons. The payment from MEBS can contain employer long service leave savings, employee exempt and non-exempt income, employee superannuation and income tax components. Additionally, these all vary depending on the state in which you are based and the length of time with your current employer.

Q2. Should I reply to MEBS to CCFS or CCVT?

- A. Each state conference is co-ordinating the transition on behalf of their churches. In Victoria's case, CCVT has requested CCFS to manage this process. Please simply return the required paperwork to CCFS.

Q3. If I choose the CCFS, what component of the MEBS account will be transferred to the employer organisation's LSL Accumulator account with CCFS?

- A. Only the employer component equal to the total accrued value of your long service leave at the date of closure will be transferred (refer Sections A-1 and A-2 of the Closure of MEBS Long Service Leave Savings Account form).

Q4. Where can I obtain more detailed information about long service leave?

- A. This correspondence is focused on the transition from MEBS to CCFS. For more detailed information regarding long service leave the following may be useful:
- CCVT finance team
 - Information session at the CCVT Summit
 - Victorian Government website www.business.vic.gov.au/hiring-and-managing-staff/long-service-leave-victoria

Q5. What will happen to my fund when MEBS closes in 2019?

- A. If you are currently employed and depending on your selection, your MEBS closing balance will be transferred to CCFS or returned to the employing church/organisation.

Q6. If our church/organisation chooses CCFS, how do I open the LSL account?

- A. On receipt of the completed Closure of MEBS Long Service Leave Savings Account form and the CCFS MEBS Transfer Authority form, CCFS will contact MEBS on your behalf and organise the transfer of funds. If your church/organisation is already a CCFS client we may not require any further information. Otherwise, CCFS will be in contact with you to complete any additional paperwork.

Q7. Are funds set aside for long service leave under the new arrangements portable?

- A. Current state-based legislation does not allow portability. Portability will be discontinued for all members when MEBS closes. This change applies nationally.

Q8. Under the CCFS option how many accounts will I need?

- A. We recommend that each employer have a separate account for each employee to better manage their future obligations.

Q9. What happens if an employee leaves before MEBS closes?

- A. MEBS will distribute funds according to their current rules. If your church/organisation has already transitioned to CCFS we will distribute in accordance with your instructions.

Q10. Is there an option other than CCFS?

- A. Yes, there are other options however, CCVT have partnered with CCFS to provide a simple and effective alternative that supports ministers and good church governance.

Q11. What if our church/organisation is not a member of MEBS?

- A. The good news is, it's not too late. Whilst the transitional arrangements won't apply to your organisation, you can participate in the new CCFS LSL program. Please contact the CCFS office and we will guide you through the process.

Q12. What do employees need to know about the transitional arrangements?

- A. Your employees will have already received information from CCVT and MEBS regarding the closure of MEBS. They may not be aware of the specific details of the CCFS LSL account. As their employer, you may want to provide your employees with assurance that their LSL entitlements will be transferred and administered diligently. (Refer account features listed above).