

Building and Construction Industry

Contributing as a contractor

FAQ's

- **What is a contractor registration?**

A contractor registration is for Working Directors, Sole Traders or individual Partners in a partnership to be able to contribute service in order to obtain a long service leave entitlement. Employee and contractor service is held under the same registration.

- **What is the difference between an employee and a contractor?**

An employee works in a business and is employed by a business. A contractor is running their own business.

- **How does contractor service differ from employee service?**

If you are an employee performing relevant work in the ACT then it is a legal requirement that your employer records your long service leave with the Authority.

If you are a contractor then it is up to you to record service if you wish to accrue a long service leave entitlement. It is not mandatory to register as a contractor.

- **When did Working Director registrations become available?**

Working Director registrations are now available due to a legislative change effective from 1 July 2015. Working Directors are no longer classified as employees and are required to register as contractors if they want to continue recording service towards accruing an entitlement.

- **Who can register as a contractor?**

Working Directors, Sole Traders or individual Partners in a Partnership who perform relevant work in the Building and Construction Industry and wish to register and accumulate long service leave benefits for themselves. For information on what is classified as relevant work please see the building and construction Fact Sheet which can be downloaded from the Authorities website.

- **Do I have to register as a contractor?**

It is not mandatory to register as a contractor however you will not be eligible to obtain service as an employee from 1 July 2015.

- **I do not have a registration with the Authority, should I register now?**

If you have never been registered with the Authority and you want to register as a contractor, you will need to make quarterly contributions for a minimum of 7 years before you are entitled to claim. You will not be able to claim back any payments if you do not have a minimum of 7 years of service recorded.

- **What are the benefits of registering as a contractor?**

A contractor may benefit from registering if they have already accrued employee service and wish to just make up the remaining credited days to be eligible to claim. Contractor service is not taxed and earns interest from the date you make levy payments. If you would like to check the current interest rate, please contact the Authority.

- **How do I register as a contractor?**

To record service, you need to register as a contractor with the Authority. You can request an application form to register.

- **How do I check if I am already registered with the Authority?**

If you have not been an employee of a company and have not registered yourself as a contractor then you most likely will not have a registration. Once an employee is registered a letter is posted to the address provided by the employer advising you of your registration details. If you have not received a letter and think you should have been registered please contact the Authority.

- **How do I check how much service I have?**

To check your service you can login to the online employee portal (<http://www.actleave.act.gov.au/>) using your registration details (if known). If you do not know your registration details then you can email or call the Authority to update your current details and check your service history and long service leave entitlement.

- **Can I backdate my contractor service?**

You can backdate your service up to 1 year from the date you contact the Authority regarding registering as a contractor.

- **How can I record my service?**

Once registered you will receive login details for the Long Service Leave online portal where you can lodge your quarterly returns. You need to declare your total days worked and ordinary remuneration for each quarter and pay a 2.5% levy which is calculated on your ordinary remuneration declared.

- **What is ordinary remuneration?**

Ordinary remuneration, for a person, means the amount paid or payable to the person for work, other than any amounts for overtime; expenses incurred by the person; or the use of materials, equipment or a motor vehicle provided by the person.

- **What do I need to pay and how often?**

You will need to submit quarterly returns.

The current levy rate for the Building and Construction Industry is 2.5%.

- **I am a sole trader with no employees? Do I need to register my company as well?**

If you have no employees performing relevant work in the Building and Construction Industry within the ACT, then you are not required to register your company.

- **I am a working director/sole trader/partnership with employees. Is there an easier way to register rather than having a company and a contractor registration?**

If you have employees performing relevant work in the Building and Construction Industry within the ACT then you will need to register your company/sole trading business/partnership and record service for your employees. If you have both a company registration and a contractor registration, they can be linked together if requested and you can login to the employer portal to complete both your contractor and employer return.

- **I forgot my password to login to the online portal, how do I get a new one?**

You can request a new password to be emailed to you on the online portal or you can contact the Authority to generate a new one.

- **What if I am Deregistered?**

Your registration will be deregistered if no service is recorded for a period of 4 years. A letter is posted to your registered address approximately 3-6 months prior to the date you are due to be deregistered. The letter advises you that your registration has been inactive and you need to contact the Authority if you think this information is incorrect. If you do not respond to this letter by the due date and no service is recorded then you will become deregistered. The only way a registration can be reactivated is if you have interstate service recorded in the Building and Construction Industry (4 year rule still applies).

- **I have interstate service or I am moving interstate, can I have this merged into one registration?**

The Building and Construction scheme is portable Australia wide. Your service will remain recorded in the state you worked in until you have made a claim. When a claim is made the service is brought together and paid to you by the state where your most recent service is recorded in. You will need to notify each state that you are working interstate to avoid possible deregistration from inactivity.

▪ **How is my claim paid out if I have both employee service and contractor service?**

To be eligible to claim, you need to have reached the minimum amounts of service to have an entitlement. Service can be made up of both contractor service and employee service. Contractor service will be a refund of contribution levies paid plus interest; however you should declare the refund of contributions and interest as income on the tax return you lodge for the year in which the payment is made to you. Tax will only be deducted from your employee service component.

▪ **What are the Construction Industry entitlements? (Refer to Entitlement Sheet for more information)**

Entitlement	▪ 10 years (2200 days) of service in the industry
Other entitlements for Employees registered after 1 July 2012	▪ 7 years (1540 days) – for leaving the industry. ▪ 5 years (1100 days) – for total incapacity, age retirement (ages 55 and over) and deceased claims.
Other entitlements for Employees registered before 1 July 2012	▪ 5 years (1100 days) – for leaving the industry. ▪ 55 days + - for total incapacity, age retirement (ages 55 and over) or deceased claims.

▪ **How long does it take to process a claim?**

The Authority has a scheduled payment run at least once a fortnight. If no further information is needed to process the claim the payment will not take longer than 2 weeks (14 days) to be finalised and paid (excluding leaving the industry – where there is a mandatory 20 week waiting period for the funds to be paid from the cease date).