

The Holidays Act 2003 determines the minimum leave entitlements for New Zealand employees.

## Minimum settings and methods of accrual – permanent staff

The following settings and screen shots illustrate the correct settings for most employees – irrespective of the hours worked. This includes full-time and part-time staff (permanent staff).

Exceptions to the standard settings may apply to casual staff, staff on parental leave or extended leave without pay, GST registered contractors or agents, and working proprietors. These are illustrated later in this guide.

### Annual Leave

**Anniversary date** should be the employee's start date, or an anniversary of that date. It is not necessary, nor is it recommended, to change this date, even for companies that have an annual closedown. SmoothPay will track the employee's leave balance accurately, and pay out their final pay entitlement when they leave.

**Accrual method** should be a minimum of 4 weeks (3 weeks prior to 1 April 2007). Other methods are available, however they should not be used unless advised to do so by a Labour Inspector.

These settings are established automatically when a new employee is added.

### Sick Leave

**Anniversary date** should be six months from the employee's start date, or an anniversary of that date.

**Accrual method** should be 5 days. Other methods are available, however they should not be used unless advised to do so by a Labour Inspector.

**Maximum accrual** should be 20 days (if you leave it at zero, sick leave will accrue annually with no limitation)

These settings are established automatically when a new employee is added.

### Special Leave

Special Leave normally self-balances (each of the special leave codes you define in Payroll Codes..Special Leave codes is set to self-balance).

You do not normally need to set any special anniversary date or accrual, but may do so if you wish.

These settings are established automatically when a new employee is added.

### Alternative/Lieu

Alternative Days/Days in Lieu should be set to days.

These settings are established automatically when a new employee is added.

Alternative days accrue when an employee works on any part of a Public Holiday (if they usually work that day), even if it's only a few minutes. They are entitled to one whole day of alternative leave per Public Day worked.

If the employee doesn't normally work that day, but they're required to work on a Public Holiday, then they don't accrue an Alternative Day.

Payment for any time worked on a Public Holiday must be a minimum of time+half rates (*use the Overtime/Penal time type in Pay Input*).

Payment for an Alternative Day must be at the relevant daily rate for the day being taken off (SmoothPay RDP assistant displays the available and recommended options).

Unused Alternative Days may be bought out by the employer if remaining unused after 12 months (refer Holidays Act).

## Casual staff

Casual staff are defined (by SmoothPay) as being a person called in to fill in for absent staff, or to assist at peak times.

These staff are entitled to be paid out annual leave with each pay (the amount may be inclusive, or more usually calculated in addition to the employees pay).

## Further reference

- Holidays Act (available from Government stationers and online)
- Recommended reading: Guide to Holidays and Leave, call CCH on 0800 500 224
- Our own Guide to Holidays and Leave, SmoothPay website and CD

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