



## Holiday Entitlement Cash-Up FAQ's

Over the past few months we've been receiving a large number of enquiries on Annual Holiday Cash-Up, in this section we will list a few of those frequently asked questions. It will not answer every question and should not be used as a substitute for legislation or legal advice.

### How do I exchange my annual holiday entitlement for payment (*cashing up annual holidays*)?

Employees are able to request that their employer pay out up to **one week** of their minimum entitlement to annual holidays a year.

Any request must be considered within a reasonable time and may be declined. The employee must be advised of the decision in writing and the employer is not required to provide a reason for their decision.

If an employer agrees to pay out a portion of the employee's annual holidays, the payment should be made as soon as practicable, which will usually be the next pay day. The value of the payment must be at least the same as if the employee had taken the holidays.

### As an employee can I be made to have holidays paid out?

**No.** An employer cannot pressure an employee into cashing up holidays. Cashing up cannot be raised in wage or salary negotiations or be a condition of employment. A requirement to cash up annual holidays cannot be part of an employment agreement. An employment agreement can set out the process for making a request to cash up annual holidays.

### As an employer can I have a policy saying I will not consider requests to be paid out?

**Yes.** Employers may have a policy that they will not consider any requests to cash up annual holidays. This can apply to the whole or only some parts of the business. The policy can only be on whether the employer will consider any requests. It cannot be about the amount of annual holidays an employee can cash up or the number of requests an employee may make. An employer should consult with employees on the development of such a policy and inform new employees of the policy when they make an offer of employment, as part of their good faith obligations.

### Can an employee exchange their annual holiday entitlement for payment (*cashing up annual holidays*)?

**Yes.** Since 1 April 2011 employees were able to ask their employer to pay out up to one week of their annual holidays in each entitlement year.

This can only be at the employee's request. Employees may request to cash up less than a week at a time. More than one request may be made until a maximum of one week of the employee's annual holiday is paid out in each entitlement year (*the period of 12 months' continuous employment from the anniversary of the employee's starting date*).

The information provided is an extract from the Ministry of Business, Innovation and Employment (*MBIE*). There are other details that employers and employees considering cashing up holidays you may want to know, for example how it affects superannuation payments, working for families, child support and income tax and what happens when there is parental leave. Should you wish to find out more, the **MBIE** can assist with further information.

## Easing Stress with EasiPay

Since 2003, HRV has promoted the great benefits of home ventilation to Kiwi home-owners. Their market-leading products quickly became recognised as the go-to for families wanting relief from damp and unhealthy homes.

### The Challenge

HRV is an organisation of 15 separate companies and previously, the administration staff of each one had to go through time-consuming manual payroll processes. The organisation needed a cloud payroll system that would cover all employees. They also needed a reporting system that provided insights into labour costs across their whole organisation.

### The Challenge

HRV chose Datacom to take responsibility for its payroll because of our expertise and ability to manage multiple entities. The company wanted to outsource its payroll, and EasiPay was the ideal solution.

We worked closely with HRV to ensure a smooth transition from their existing payroll provider. Together we managed set-up and configuration, data migration, testing and, finally, Go-LIVE. We continue to provide support. Our payroll specialists manage the HRV payroll using our cloud-based evergreen software, DataPay.

**“ We would highly recommend Datacom to help manage and simplify your payroll process. The online timesheet and leave application process is simple for staff to understand and use. The guidance offered throughout the implementation was well managed by Datacom, including parallel runs and a full reconciliation process that met our external auditor's standards. ”**

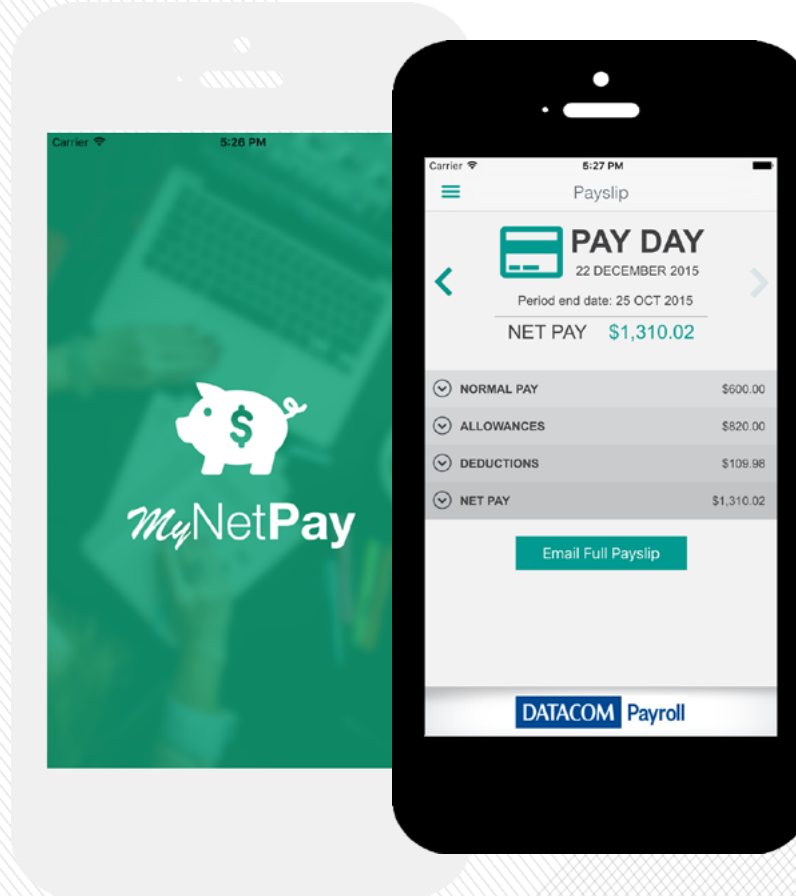
**- Donna Haywood, Financial Controller, HRV**



# Name of the Game is Mobile

As mobility continues to drive innovation in the payroll space, Datacom have launched a mobile application for employers that allow them to process their payroll when they're out and about and unable to get back to their desk, as well as an employee app that allows staff to view and apply for leave, check their payslips and employment information.

**NetPay mobile** is a mobile application for **employers** who use NetPay to pay their employees. Payroll administrators are given the ability to add and review pay packets, and process and authorise pay runs from their phone. Users can also see when the next payroll is due and the amount of money banked in recent runs.



**MyNetPay** is a mobile application for employees of organisations that use NetPay to pay their staff. It provides employees the ability to submit their hours worked, apply for leave, as well as view key payroll information such as their payslips, leave balances and when they are next going to be paid. Managers are given the ability manage leave requests and timesheets submitted by employees.

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We'll discuss what will suit your needs - big or small.

[www.datacompayroll.co.nz](http://www.datacompayroll.co.nz)