

PURPOSE	To define a week for the purposes of annual holidays.
SCOPE	All permanent employees and fixed term employees employed for longer than 12 months in the Access / Total Healthcare group.
DEFINITIONS	<ul style="list-style-type: none"> • Four weeks' holiday – An employee is entitled to four weeks as annual holidays. This applies to part-time employees (who may not work on every day of a week) as well as to full-time employees who work five days. What a 'week' means is different for everyone. It is based on what constitutes a working week for each employee. • Ordinary weekly pay (OWP) is defined in the Holidays Act. Generally, it is the amount of pay an employee receives for an ordinary working week, including taxable regular earnings. • Average weekly earnings (AWE) is 1/52 of an employee's gross earnings (as defined in the Holidays Act)
Definition of a week	<p>The Holidays Act stipulates that Annual Leave must be calculated in weeks and not days or hours. The Act records that the parties may determine an employee's entitlement to annual holidays based on what genuinely constitutes a week for each employee.</p> <p>The higher of OWP and AWE determine what an employee will be paid for when annual holidays are taken. The Definition of a Week is used to decide what portion of a week is paid if more or less than a week is taken as annual holiday.</p> <p>In many cases, it will be clear what a week is, as the employee will work a regular number of days (or hours) each week.</p> <p>For other workers a "Definition of a Week" (DoW) can be agreed, based on what genuinely is a working week for the employee. This may be done by calculating either the number of days or number of hours, that a week is equivalent to for each employee.</p> <p>Keeping each employee's annual holidays balance in weeks rather than days or hours is necessary because this is the unit provided for in the Holidays Act and the unit against which compliance will be measured.</p>
Suggested methodology	For non-salaried employees or employees with irregular work patterns, your definition of a week is the average hours per week from your prior 4 weeks.

	<p>If a fraction of a week is taken as annual holiday, then the Holidays Act requires a portion of a week is calculated (P) paid and deducted from your leave balance.</p> <p>$P = L / DoW$</p> <p>Where “L” is the relevant number of hours. For a salaried worker this is based on your contracted hours. For other workers L will be based on your average weekly hours over the past 4 weeks.</p> <p>If you have been employed for less than 4 weeks, then the full period of your employment will be utilised.</p> <p>The period utilised for any averaging calculation is up to your last pay period prior to the leave.</p>
<p>Example</p>	<p>Examples 1: Salaried employee</p> <p>(a) Employee A is a permanent full-time employee who works 40 hours a week, 8 hours a day for five days a week as outlined in their employment agreement.</p> <p>(b) Employee A takes one day of annual holiday. One day is 0.2 weeks, being 8 hours divided by 40 hours (L/DoW). 0.2 weeks is deducted from Employee A’s annual holiday balance and 0.2 weeks is paid to the employee at the higher of OWP and AWE.</p> <p>Example 2: Employee who does not fall into the above example.</p> <p>(c) Employee B works irregular hours and takes an annual holiday day off.</p> <p>(d) Over the last 4 weeks Employee B averaged 25 hours a week, and averaged five days a week. An average day is 5 hours and an average week is 25 hours. 0.2 weeks ($5 / 25 = L / DoW$) is deducted from Employee B’s annual holiday balance and 0.2 weeks of annual holiday is paid at the higher of OWP and AWE.</p> <p>The proportion of a week of annual holiday is determined by “P”, which in both examples above is 0.2. To get the value of annual holiday, P is multiplied by the higher of Ordinary Weekly Pay (OWP) or Average Weekly Earnings (AWE). Refer to the links below for further detail and definitions, including OWP and AWE.</p> <p>Holidays Act 2003 link. MBIE Holidays Act guidance link.</p>

	<p>Note that your rostered hours are not used for this calculation.</p> <p>Both examples assume the employee has worked the last 52 weeks or more.</p>
Leave without pay (LWOP)	<p>For continuous leave without pay over seven days, the anniversary date will not be changed but the divisor for calculating the AWE and OWP will be reduced.</p> <p>For example, if two weeks LWOP was taken three months prior to annual leave being taken, the AWE calculation become Gross Earnings for the year divided by 51 instead of 52.</p>