

CIRCULAR TO DEPARTMENTS AND AUTHORITIES NO. 26 OF 1980

ANNUAL LEAVE ENTITLEMENTS - EFFECT OF LEAVE WITHOUT PAY

1. This Circular supersedes the advice of Industrial Employees Circular No 10 of 1973 insofar as it relates to the effect of leave without pay on annual leave entitlements and is to be operated in conjunction with Circular to Departments and Authorities No. 24 of 1980 - annual Leave - Accrual of Entitlements.
2. Circular to Departments and Authorities No. 24 of 1980 provides for the accrual of annual leave entitlements on a weekly basis in lieu of the previously existing monthly basis and the method of calculating the effect of leave without pay on the entitlements has been amended accordingly.
3. It has been decided to implement two different methods of calculating annual leave entitlements where leave without pay is involved. The method to be used depends on whether a calculation is being made for pro-rata annual leave purposes or if a full annual leave accrual of entitlement is involved.

PRO RATA ANNUAL LEAVE

Where an employee's services terminate after one month's continuous service in any qualifying twelve monthly period and that employee has an entitlement to payment of pro-rata annual leave, the payment of the entitlement shall be reduced for any period of leave without pay taken during the qualifying period and that reduction shall be in accordance with Schedule A attached.

NOTE: 1

The days taken on leave without pay are to be calculated on an aggregate basis, i.e. the total number of days of leave without pay taken during a qualifying period.

NOTE: 2

This method of calculation is to be adopted whenever pro rata payment for annual leave is to be made, notwithstanding the years of service of the employee.

NOTE: 3

- i. An employee employed north of 26° south latitude who received an additional five days per annum annual leave under the provisions of circular to Departments and Authorities No. 10 of 1980 is not entitled to the extra leave until twelve months continuous service in that region has

been served. the weekly rate of accrual in the initial qualifying period is therefore based on the actual award annual leave entitlement.

- ii. If an employee's service terminates during the initial qualifying period and leave without pay is involved, any reduction in the pro-rata annual leave payment is to be calculated on the actual award entitlement only.
- iii. In any qualifying period subsequent to the initial twelve months continuous service in the region, leave accrual is based on the total annual leave received, i.e. the additional five days together with appropriate award annual leave entitlements where leave without pay is involved should be calculated accordingly.

ACCRUED ANNUAL LEAVE

Where an employee is employed for a full twelve months qualifying period, the annual leave to which that employee is entitled when he has been absent on leave without pay during that period shall be adjusted by reducing the prescribed annual leave entitlement in relation to the number of ordinary working days lost in that qualifying period.

The adjustment shall be in accordance with Schedule B attached.

It should be noted that notwithstanding the changed method of calculation the provisions of Industrial Employees Circular No. 8 of 1974 shall continue to apply: namely that a continuous period of up to three months sick leave without pay, approved by the employer, continues to accrue annual leave and only that period of sick leave without pay in excess of three months will be affected by the change.

K MCKENNA
CHAIRMAN

October 23, 1980

Ref: HI

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