

AGREEMENT TO CASH OUT ANNUAL LEAVE

Cashing out annual leave means an employee receives payment instead of taking time off work.

Annual leave can only be cashed out when an award or registered agreement allows it, so check the award or registered agreement that covers your employee.

When cashing out annual leave there are rules:

- Employees can't cash out more than 2 weeks in each 12 months, and must have at least 4 weeks annual leave left over after the cash out.
- The payment for cashed out annual leave must be the same as what the employee would have been paid if they took the leave.
- An employer can't force or pressure an employee to cash out annual leave.

If the award says that employees can cash out annual leave, employers and employees must make a record about the agreement to cash out annual leave. This agreement must be:

- signed by both the employee and the
- say the amount of leave being cashed out
- say the amount that will be paid for the leave
- say the date this will be paid, and
- if the employee is under 18, then it must be signed by their parent or guardian

Employers must keep a copy of this agreement with the employee's records.

You can use this template as a record of the agreement about cashing out annual leave.

The Fair Work Ombudsman is committed to providing you with advice that you can rely on.

The information contained in this template is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

Name of employee:

Name of employer:

The employer and employee agree to the employee cashing out a particular amount of the employee's accrued paid annual leave:

The amount of leave to be cashed out is: ___ hours/days

The payment to be made to the employee for the leave is: \$ _____ subject to deduction of income tax/after deduction of income tax (strike out where not applicable).

The payment will be made to the employee on: __/__/20__

Signature of employee:

Date signed: __/__/20__

Name of employer representative:

Signature of employer representative:

Date signed: __/__/20__

Include if the employee is under 18 years of age:

Name of parent/guardian:

Signature of parent/guardian:

Date signed: __/__/20__