

Cashing out annual leave

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

Cashing out annual leave under an award

Annual leave can only be cashed out when an award allows it.

Find out about cashing out annual leave in your award by selecting from the list below.

We don't have extra information here for your choice.

We only have extra information here for our most common industries. You'll need to check your award for minimum entitlements and obligations.

If you know your award you can access it from our [List of awards \(www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards/list-of-awards\)](http://www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards/list-of-awards) page. If you don't, you can use our 3 step form to help you [Find your Award \(www.fairwork.gov.au/awards-and-agreements/awards/find-my-award\)](http://www.fairwork.gov.au/awards-and-agreements/awards/find-my-award) .

You can calculate entitlements and obligations for all awards using our:

- [Pay Calculator \(http://calculate.fairwork.gov.au/FindYourAward\)](http://calculate.fairwork.gov.au/FindYourAward) for minimum pay rates, penalties and allowances
- [Leave Calculator \(http://calculate.fairwork.gov.au/Leave\)](http://calculate.fairwork.gov.au/Leave) for annual and personal leave
- [Notice and Redundancy Calculator \(http://calculate.fairwork.gov.au/EndingEmployment\)](http://calculate.fairwork.gov.au/EndingEmployment) for ending employment entitlements.

If you're covered by a registered agreement, check the terms of your agreement for information. To find a registered agreement, go to the [Fair Work Commission website](https://www.fwc.gov.au/awards-and-agreements/agreements) ¹ (<https://www.fwc.gov.au/awards-and-agreements/agreements>) .

Cashing out annual leave under a registered agreement

Annual leave can only be cashed out when a [registered agreement \(www.fairwork.gov.au/Dictionary.aspx?TermID=2034\)](http://www.fairwork.gov.au/Dictionary.aspx?TermID=2034) allows it.

If you're covered by a registered agreement, check it for information on whether leave can be cashed out. To find a registered agreement, go to the [Fair Work Commission website](https://www.fwc.gov.au/awards-and-agreements/agreements/find-agreement) ¹ (<https://www.fwc.gov.au/awards-and-agreements/agreements/find-agreement>) .

Certain rules apply when cashing out annual leave:

- an employee needs to have at least 4 weeks annual leave left over
- a written agreement needs to be made each time annual leave is cashed out
- an employer can't force or pressure an employee to cash out annual leave
- the payment for cashed out annual leave has to be the same as what the employee would have been paid if they took the leave.

Cashing out annual leave for award or agreement free employees

An award and agreement free employee can make an agreement with their employer to cash out their annual leave if the:

- agreement is in writing
- employer pays the employee the same amount the employee would get if they had taken the leave
- employee has at least 4 weeks left in their leave balance after the rest is cashed out.

To find out how to check if an employee is award or agreement free, go to [Award and agreement free wages and conditions \(www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions\)](http://www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions) .

Source reference: [Fair Work Act 2009 s.92, 93 and 94](http://www.comlaw.gov.au/Series/C2009A00028) ¹ (<http://www.comlaw.gov.au/Series/C2009A00028>)

Think a mistake might have been made?

Mistakes can happen. The best way to fix them usually starts with talking.

Check out our [Help resolving workplace issues \(www.fairwork.gov.au/how-we-will-help/how-we-help-you/help-resolving-workplace-issues/default\)](http://www.fairwork.gov.au/how-we-will-help/how-we-help-you/help-resolving-workplace-issues/default) section for practical advice on:

- figuring out if a mistake has been made
- talking to your employer or employee about fixing it
- getting help from us if you can't resolve it.

What to do next

- Calculate annual leave balances using the [Leave Calculator \(http://calculate.fairwork.gov.au/Leave\)](http://calculate.fairwork.gov.au/Leave)
- Search the Fair Work Commission website (<https://www.fwc.gov.au/awards-and-agreements/agreements>)  for an agreement
- Find an award using [List of Awards \(www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards/list-of-awards\)](http://www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards/list-of-awards)

Help for small business

- Find tools, resources and information you might need on our [Small business page \(www.fairwork.gov.au/Find-help-for/Small-business/default\)](http://www.fairwork.gov.au/Find-help-for/Small-business/default) .

You might also be interested in:

- [Payment for annual leave \(www.fairwork.gov.au/Leave/Annual-leave/payment-for-annual-leave\)](http://www.fairwork.gov.au/Leave/Annual-leave/payment-for-annual-leave)
- [Protections at work \(www.fairwork.gov.au/Employee-entitlements/Protections-at-work/default\)](http://www.fairwork.gov.au/Employee-entitlements/Protections-at-work/default)
- [Direction to take excess annual leave \(www.fairwork.gov.au/Leave/Annual-leave/Directing-an-employee-to-take-annual-leave/direction-to-take-excess-annual-leave\)](http://www.fairwork.gov.au/Leave/Annual-leave/Directing-an-employee-to-take-annual-leave/direction-to-take-excess-annual-leave)

Page reference No: 1873

Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

The Fair Work Ombudsman is committed to providing advice that you can rely on. The information contained on this website 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 workplace relations professional. Visitors are warned that this site may inadvertently contain names or pictures of Aboriginal and Torres Strait Islander people who have recently died.