

## 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.

Based on what you've told us, it looks like you're covered by the Clerks - Private Sector Award [MA000002].

Employees can cash out annual leave under the Clerks Award. To cash out annual leave they need to have:

- at least 4 weeks annual leave left after the cash out
- a signed written agreement with their employer that outlines the amount of leave being cashed out, the amount they will be paid and the date it will be paid. If the employee is under 18 their parent or guardian must also sign it.

Employers have to keep this agreement for the employee's [records](http://www.fairwork.gov.au/pay/pay-slips-and-record-keeping/record-keeping). ([www.fairwork.gov.au/pay/pay-slips-and-record-keeping/record-keeping](http://www.fairwork.gov.au/pay/pay-slips-and-record-keeping/record-keeping))

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.

An employee can't cash out more than 2 weeks each 12 months.

An employer can't force or pressure an employee to cash out annual leave.

Employers and employees can use the [Cashing out annual leave template \(DOCX 20.3KB\)](http://www.fairwork.gov.au/ArticleDocuments/766/agreement-to-cash-out-annual-leave.docx.aspx) ([www.fairwork.gov.au/ArticleDocuments/766/agreement-to-cash-out-annual-leave.docx.aspx](http://www.fairwork.gov.au/ArticleDocuments/766/agreement-to-cash-out-annual-leave.docx.aspx)) when cashing out annual leave.

To find out more about who this award applies to, go to the [Clerks Award summary](http://www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000002-summary) ([www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000002-summary](http://www.fairwork.gov.au/awards-and-agreements/awards/award-summary/ma000002-summary)) .

Source reference: [Clerks Private Sector Award \[MA000002\] clause 32.9](http://awardviewer.fwo.gov.au/award/show/MA000002) (<http://awardviewer.fwo.gov.au/award/show/MA000002>) 

### Cashing out annual leave under a registered agreement

Annual leave can only be cashed out when a [registered agreement](http://www.fairwork.gov.au/Dictionary.aspx?TermID=2034) ([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)  (<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](http://www.fairwork.gov.au/awards-and-agreements/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)) .

## 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 \(https://www.fwc.gov.au/awards-and-agreements/agreements\)](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)

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## Contact us

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Fair Work Infoline: 13 13 94

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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

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