

Cashing out annual leave

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

On this page:

- [Cashing out annual leave under an award](#)
- [Cashing out annual leave under a registered agreement](#)
- [Cashing out annual leave for award or agreement free employees](#)
- [Tools and resources](#)
- [Related information](#)

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.

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) [☞](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 \(www.fairwork.gov.au/awards-and-agreements/award-and-agreement-free-wages-and-conditions\)](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) [☞](http://www.comlaw.gov.au/Series/C2009A00028) (<http://www.comlaw.gov.au/Series/C2009A00028>)

Tools and resources

- [Leave Calculator \(www.fairwork.gov.au/leave/leave-calculator\)](http://www.fairwork.gov.au/leave/leave-calculator)
- [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)
- [Fair Work Commission website \(https://www.fwc.gov.au/awards-and-agreements/agreements\)](https://www.fwc.gov.au/awards-and-agreements/agreements) [☞](https://www.fwc.gov.au/awards-and-agreements/agreements)

Related information

- [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)
- [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)

Help for small business

Find tools, resources and information you might need in our [Small business showcase \(www.fairwork.gov.au/small-business-showcase\)](http://www.fairwork.gov.au/small-business-showcase)

[/default](#)).

Think a mistake might have been made?

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

Check out our [Fixing a workplace problem \(www.fairwork.gov.au/workplace-problems/fixing-a-workplace-problem/default\)](http://www.fairwork.gov.au/workplace-problems/fixing-a-workplace-problem/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.

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.