

Notice of requirement to take annual leave for temporary shutdown

A temporary shutdown is when a business chooses to temporarily shutdown all or part of a business for a particular period, such as Christmas and New Year. If your award allows it, you can direct your employees to take annual leave during a temporary shutdown.

Check your award carefully before using this template letter.

Temporary shutdown or stand down?

A temporary shutdown and a stand down are used for different reasons and affect certain entitlements differently.

To find out more about when a shutdown might apply, visit our [Direction to take annual leave during a shutdown](https://www.fairwork.gov.au/shutdown) page at [fairwork.gov.au/shutdown](https://www.fairwork.gov.au/shutdown)

You can learn more about [when a stand down can be used](https://www.fairwork.gov.au/stand-down) at [fairwork.gov.au/stand-down](https://www.fairwork.gov.au/stand-down)

Need help?

- Complete our short course about having [difficult conversations in the workplace](https://www.fairwork.gov.au/learning) at [fairwork.gov.au/learning](https://www.fairwork.gov.au/learning)
- Read our [Consultation and cooperation in the workplace best practice guide](https://www.fairwork.gov.au/bestpracticeguides) at [fairwork.gov.au/bestpracticeguides](https://www.fairwork.gov.au/bestpracticeguides)
- Submit an enquiry online through [My account](https://www.fairwork.gov.au/register) at [fairwork.gov.au/register](https://www.fairwork.gov.au/register)
- Contact our Infoline on 13 13 94.

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.

Checklist: What employers should consider before directing an employee to take annual leave

Step 1 – Check your award

You can only require employees to take annual leave during a temporary shutdown period if it is allowed under your award.

Check your award carefully to see if it includes this provision, and if there are any other requirements or conditions you must fulfill, such as giving employees the option to choose what leave to take or providing notice. [Find your award](https://www.fairwork.gov.au/awards) at [fairwork.gov.au/awards](https://www.fairwork.gov.au/awards)

Step 2 – Talk to your employees

You should meet with your employees to advise them of the temporary shutdown period and give them the opportunity to ask questions. You should ensure that the employees understand:

- the reason for the temporary shutdown
- the length of the temporary shutdown
- that they will have to take any accrued annual leave during the temporary shutdown, and
- that the annual leave taken will be deducted from their accrued entitlements.

If an employee doesn't have enough accrued annual leave to cover all of the temporary shutdown period, you may need to pay them ordinary wages for the time not covered unless you and the employee genuinely agree to alternative arrangements such as:

- taking annual leave in advance
- taking any accrued time off or roster days
- taking leave without pay.

Step 3 – Use this template to create a letter to notify your employees that they need to take annual leave during a temporary shutdown

You must provide your employees with at least the required minimum written notice of a temporary shutdown period if you are directing them to take annual leave during the period. Most awards require at least 28 days' written notice of the temporary shutdown or a shorter amount of notice if agreed with the majority of the relevant employees. Check your award for the minimum notice period that will apply.

This notice should include the dates the temporary shutdown period will start and finish, and the reason for the temporary shutdown.

! IMPORTANT

This template has been colour coded to assist you to complete it accurately. You simply need to replace the **red < > writing** with what applies to your employee and situation.

Explanatory information is shown in **purple writing** to assist you and **should be deleted once you have finished the letter**.

Step 4 – Provide the letter to the employee and keep a copy for your records

Provide the letter to the employee, ensuring they receive it for at least the required minimum notice period before the start of the temporary shutdown period. You should also keep a copy of the letter for your records.

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TEMPLATE LETTER – Notice of requirement to take annual leave for purpose of temporary shutdown

<Print on your business letterhead>

<Date>

Private and confidential

<Insert employee's full name>

<Insert employee's residential address>

Notice of requirement to take annual leave for purpose of temporary shutdown

Dear <insert name>

In accordance with clause <insert relevant clause number> of the <insert award title> (the Award), I am writing to inform you that <insert the business/company name> requires you to take accrued annual leave during a temporary shutdown of operations from <insert commencement date> to <insert end date>, due to <reason for temporary shutdown, for example refurbishment/closing for an extended period over Christmas etc.>. This period of leave will be deducted from your accrued entitlement.

You aren't required to use accrued annual leave for days that you're entitled to be paid as a public holiday.

[Explanatory information – please delete once you have finished the letter]

You must provide employees with notice of a requirement to take accrued annual leave due to a temporary shutdown. Check your award for the minimum notice period that applies to your situation. Make sure you provide this letter to your employees at least the required minimum notice period before the temporary shutdown commences. If an employee doesn't have enough accrued annual leave to cover all or part of the temporary shutdown period, you may need to pay ordinary wages for this time unless you and the employee genuinely agree to alternative arrangements such as annual leave in advance or leave without pay.

<Insert the business/company name> is required to provide you with at least <insert notice period amount> notice of a requirement to take accrued annual leave under clause <insert relevant clause number of the applicable award> of the above Award. Please consider this letter as your <insert period of notice> notice commencing on the date of this letter <date of the letter provided to the employee>.

You will be paid your entitlements including annual leave in accordance with your award and the National Employment Standards.

[Explanatory information – please delete once you have finished the letter]

Check your award to find out if you need to pay annual leave loading or other penalty rates during the period of annual leave.

Should you have any questions in relation to this letter, please contact me on <insert phone number>.

For up to date information about your workplace entitlements and obligations, including information about requirements to take annual leave for temporary shutdown, visit the Fair Work Ombudsman [Direction to take annual leave during a shutdown](https://www.fairwork.gov.au/leave/annual-leave/directing-an-employee-to-take-annual-leave) at [fairwork.gov.au/leave/annual-leave/directing-an-employee-to-take-annual-leave](https://www.fairwork.gov.au/leave/annual-leave/directing-an-employee-to-take-annual-leave)

[Explanatory information – please delete once you have finished the letter]

We've included a couple of additional tips below to help you improve communication to your employees. You may wish to make the letter more personal by:

- Hand signing or adding a digital handwritten signature to the letter
- Sending the letter from a person that the employee recognises and is credible (rather than from an individual the employee may not know).

Yours sincerely,

<Insert name>

<Insert position>

PLEASE KEEP A COPY OF THIS LETTER FOR YOUR RECORDS

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