

CASHING OUT OF ANNUAL LEAVE

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Authority and Application

Clause 46 of the *Victorian Public Service Enterprise Agreement 2020* (Agreement) applies to the Departments and Agencies and their Employees who are covered by the Agreement, with the exception of casual Employees.

Overview

Clause 46 outlines the circumstances in which an Employee can seek to have part of their annual leave entitlement cashed out. A request for cashing out of annual leave can only be made once during the term of the Agreement and must be agreed between the Employee and the Employer.

A cashing out request can only be agreed if the cashing out would result in the Employee having four weeks or more accrued annual leave still owing to the Employee. Where a cashing out request is agreed, the Employee will be paid the same amount they would have been paid had they taken the leave.

Relevant provisions of the VPS Agreement

Clause 46 – Cashing Out of Annual Leave

Supplementary Guidance Information

1. Application Process

- 1.1. Cashing out arrangements must be agreed in writing between the Employee and the Employer. An Employee cannot be directed or required to apply to cash out annual leave, even in circumstances where an Employee has excessive annual leave accruals.
- 1.2. Before making a request to cash out a portion of their accrued annual leave, an Employee should consider seeking their own financial advice on the taxation implications of such a request.

2. Payment of cashed out annual leave

- 2.1. Clause 46.2(b) requires that the Employee must be paid at least the full amount that would have been payable to the Employee had the Employee taken the leave at the time that it is cashed out, this includes:
 - 2.1.1. any higher duties allowance the Employee is in receipt of at the date of approval of the cashing out;
 - 2.1.2. annual leave allowance; or
 - 2.1.3. any shift penalties that would have applied had the annual leave been taken (whichever is the higher).

Making decisions under this policy

Under section 20(1) of the *Public Administration Act 2004*, the public service body head has all the rights, powers, authorities and duties of an employer, which will usually be delegated to staff within their Department or Agency. Employers should ensure that any actions under this policy are only taken by an employee with the delegation to do so. Each Department and Agency should give effect to this policy in accordance with its own delegations.

Dispute resolution

An Employee who is directly affected by a decision made or action taken pursuant to clause 46 may apply for a review of actions under the Employer's review of actions policy or seek to resolve a dispute through the Resolution of Disputes procedure at clause 13 of the Agreement.

Further Information

Employees should refer to their Department or Agency's intranet for information on procedural requirements, systems and approval delegations.

For further information and advice please contact your local Human Resources or People and Culture Unit (or equivalent).

Related policies or documents

VPS Enterprise Agreement Common Policies

- Annual Leave
- Review of Actions/Grievance

All policies in the VPS Enterprise Agreement common policies collection can be found at <https://www.vic.gov.au/common-policies-victorian-public-service-enterprise-agreement>

Authorised by Industrial Relations Victoria:

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