

# CASHING OUT OF ANNUAL LEAVE

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## Authority and Application

Clause 51 of the *Victorian Public Service Enterprise Agreement 2024* (the Agreement) applies to Victorian Public Service (VPS) Departments and Agencies (Employers) and their Employees covered by the Agreement, with the exception of casual Employees.

## Overview

Clause 51 of the Agreement outlines the circumstances in which an Employee can seek to have part of their annual leave entitlement cashed out. An Employee may make more than one request for cashing out of annual leave during the term of the Agreement. All requests for cashing out annual leave must be agreed between the Employee and the Employer.

A cashing out request will only be considered by the Employer 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 Agreement

### Clause 51 – 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. An Employee may only make a request to cash out a portion of their accrued annual leave if the cashing out would result in the Employee's remaining accrued entitlement to annual leave being four weeks or more.
- 1.3. 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 51.2(b) of the Agreement 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; and
  - 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).

### 3. Additional week of annual leave for Shift Workers

- 3.1. A Shift Worker entitled to an additional week of annual leave under clause 50.2 of the Agreement, may elect to take that fifth week's leave as an additional week's pay in lieu of the additional leave.
- 3.2. The election to take the additional week's salary in lieu of the leave, must be made by separate written agreement between the Employer and Employee.
- 3.3. Where the Shift Worker elects to receive the additional week's salary in lieu of the leave, and the Employer approves that election, the Shift Worker shall be paid the full amount that would have been payable to the Employee had the Employee taken the leave that the Employee has forgone, in accordance with clause 50.2(c) of the Agreement.
- 3.4. The entitlement to elect to take the fifth week's leave as an additional week's pay in lieu of the additional leave is a separate entitlement to the Employee's entitlement to cash out annual leave under clause 51 of the Agreement and may occur at the same or different time as a request under clause 51 of the Agreement.

### Making decisions under this policy

Under s.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 51 of the Agreement 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

### Common Policies

- Annual Leave
- Review of Actions

All policies 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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If you print and store this document, you may be looking at an obsolete version. Always check the latest version of this document at <https://www.vic.gov.au/common-policies-victorian-public-service-enterprise-agreement>.