

# Relevant daily pay (RDP) vs average daily pay (ADP) for bereavement leave, sick leave, domestic violence leave, unworked public holidays and alternative holidays

## Use RDP in the first instance

- You must use RDP unless the employee's daily pay varies in the pay period or it is not possible or practicable to determine RDP. In these 2 situations only, you may (but don't have to) use ADP.

## Deciding whether RDP is not practicable or not possible to calculate for that employee's situation

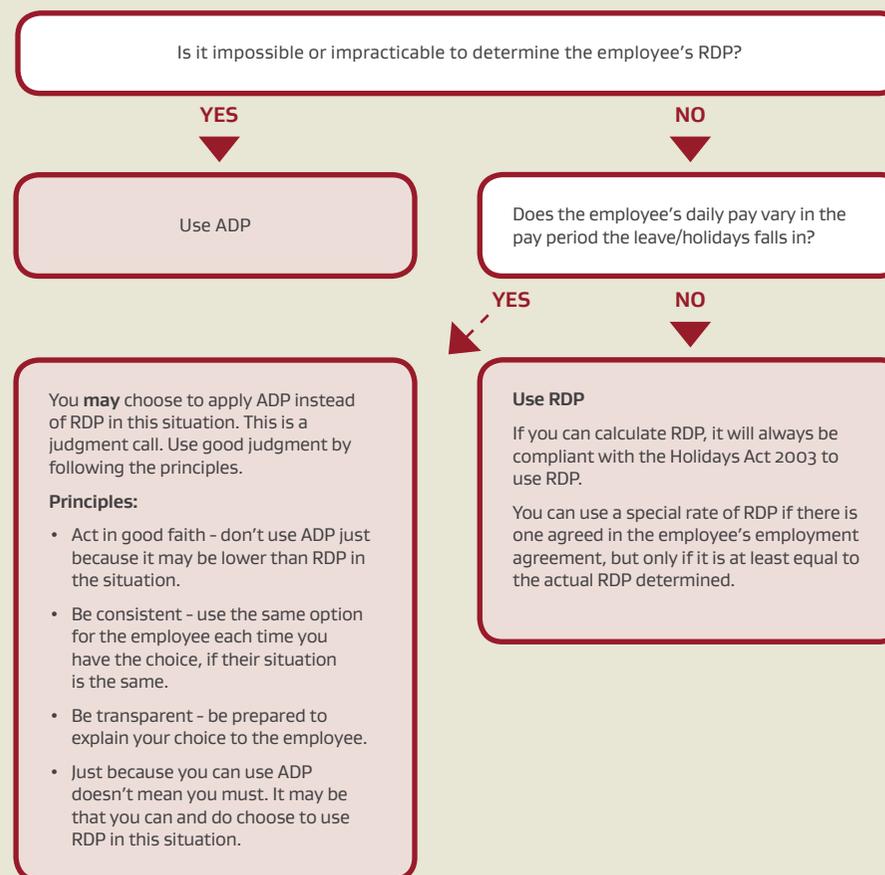
- Even if RDP is not immediately obvious, this doesn't mean it is impossible to calculate.
- Don't just assume that you can't calculate RDP because there is some variation in the employee's work.
- If an employee works variable hours, it may still be possible and practicable to work out RDP eg by looking at the reasons for the variation in the employee's work patterns.
- To assess whether it is not possible or practicable to calculate RDP, an employee's work pattern and pay structure are the relevant factors to look at (rather than the size or complexity of the employer's workforce and payroll operation).
- In a situation where you know that an employee would have done overtime if they had worked on the day, but you don't know how much, you could still use RDP instead of ADP. You could do this by applying eg a maximum amount of overtime that the employee could have worked on that day.

## Things to consider if you have a choice but are unsure of whether to choose ADP:

- Use your judgment carefully and consistently.
- Look at the employee's work pattern and see if you can work out what hours they would have worked on the day. Be sure to include overtime in RDP if you can see that the employee would have worked overtime on the day and if so, how much.
- If the employee gets a daily commission or incentive, see if it is more or less consistent from day-to-day or if there is a regular pattern you can use to determine RDP. If you can't work out how much commission or incentive to assign to a particular day, you may want to consider using ADP.

## Each calculation is a new and separate calculation

- Don't assume you can use a 'set and forget' approach to RDP and ADP or just do what you did the last time. Just because it was impossible or impracticable to determine the employee's RDP or the employee's pay in the pay period varied on a previous occasion doesn't mean this will be the situation every time the employee goes on leave or holiday. Likewise, just because you had a choice to use RDP or ADP on a previous occasion doesn't mean you will have this choice on each occasion.
- If there has been any variation in the employee's work pattern, you may need to reassess their situation.
- You may need to assess the employee's situation and work pattern each time they take leave/holiday.



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