



Closedowns

Is this a customary closedown?

YES

NO

At the time of this closedown, will it have been 12 months since the last customary closedown?

NO

YES

Is the employee required by the employer to stop work during the closedown?

NO

YES

Has the employee been continuously employed for at least 12 months?

NO

YES

Has the employee's anniversary date for annual holidays been moved due to them taking unpaid leave of more than one week, therefore they aren't yet entitled to annual holidays?

YES

NO

Has the employee been paid annual holidays as 8% pay-as-you-go to the extent that they are not entitled to annual holidays?

YES

NO

The Holidays Act 2003 closedown provisions apply. The employee may (on at least 14 days' notice) be required to take annual holidays.

The employee **must** use as much of their annual holidays as they have to cover the closedown. The holidays are paid at the rate of the greater of ordinary weekly pay (OWP) at the beginning of the holiday or average weekly earnings (AWE) for the 12 months just before the end of the last pay period, for their annual holidays.

If the employee doesn't have enough annual holidays to cover all of the closedown and their employer agrees, the employee may take annual holidays in advance. These are paid at the rate of the greater of OWP at the beginning of holiday and AWE for the 12 months just before the end of the last pay period before the holiday.

If the employer is considering giving the employee annual holidays in advance they should also think about the impact this will have on the employee's situation at the next annual closedown. If the employee has more annual holidays than are needed to cover the closedown, these remain available for the employee to take at a later date.

The closedown provisions in the Holidays Act 2003 don't apply to the employee in this situation. The employer and employee should try to reach agreement about taking annual holidays. If they can't agree after 12 months' continuous employment, employers can require employees to take annual holidays by giving at least 14 days' notice. See 'Closedowns' page on www.employment.govt.nz for more information.

The Holidays Act 2003 closedown provisions apply. The employer must pay 8% of gross earnings since start of employment (or since their last anniversary date for employees with at least 12 months service) less any amount paid for holidays the employee has already taken in advance (or paid on a pay-as-you-go basis).

Employment is continuous throughout closedown, but the employee's anniversary date for annual holidays entitlement moves to the date closedown began (or to avoid having a different date for annual holidays entitlement each year, the employer may nominate another date for the anniversary date as long as it is reasonably close to the actual start of closedown).

In addition to the 8%, the employer and employee may agree to the employee taking annual holidays in advance. The employee will be paid at the greater of ordinary weekly pay (at beginning of holiday) and average weekly earnings for the period of employment before the end of the last pay period before the holiday.