

MYOB Essentials Payroll

Cashed Up Holidays

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Introduction

The complexity of the Holidays Act 2003 is universally acknowledged, and issues of implementation are an ongoing challenge for businesses across New Zealand.

MYOB Essentials Payroll is committed to helping employers meet their obligations under the Holidays Act 2003. There are areas of the Act which require manual intervention with MYOB Essentials Payroll to ensure compliance and avoid under or over payments for certain leave types.

This document provides an overview of the set up required and what you may need to consider when managing the cashing up of annual holidays. Cashing up of annual holidays is where an employee requests to have some of their holiday paid to them, without taking the time off work.

Manual intervention will be required by you if an employee requests to cash up annual holidays.

Disclaimer: This document provides guidance on how to manage leave entitlements within our product. We recommend that you read the MBIE document "*Holidays Act 2003: Guidance on annual holidays, domestic violence, leave, bereavement leave, alternative holidays, public holidays and sick leave*" to understand how to meet your obligations as an employer under the Holidays Act 2003. If you have further questions or are in doubt, it is best to seek legal advice to ensure you are meeting your obligations.

MBIE Website [Cashing-up annual holidays](#)

Background

Your employee's can ask you to pay out in cash, up to one week of their four weeks' annual holidays per year. They can do this all at once or can make multiple requests to cash-up until the entire week is cashed up.

Employees are able to make this request for each [entitlement year](#). The entitlement year is based on each employees' anniversary of the day they started working for you.

The gross value of leave cashed up should be excluded from gross earnings for the purposes of calculating holiday pay leave entitlements.

What is required

MYOB Essentials Payroll does not have a default leave type to use for cashing up leave. To ensure the amount cashed up is excluded from future leave calculations, we have [a help topic](#) which steps you through the process.

Managing the Software

For details on cashing up annual leave, see our help topic [Cashing up annual holidays](#).