**AGREEMENT TO CASH OUT ANNUAL LEAVE**

**DATED:**

**Between:**

[name of employer] (Employer)

**And**

[name of employee] (Employee)

The Employer and Employee agree to the Employee cashing out the amount of [##] [hours/weeks/etc] of the Employee’s accrued paid annual leave, equivalent to the sum of $[##].

The amount of $[amount] will be paid to the Employee on [date], which is the full amount that would have been payable had the Employee taken the leave on the payment date.

The Employee’s accrued entitlement to paid annual leave remaining is [##] [hours/days/weeks etc], being at least 4 weeks.

Signed:

x…………………………………………… x………………………………………..

Employer Employee

**Relevant provision - Cashing Out of Annual Leave**

* 1. Paid annual leave must not be cashed out except in accordance with this clause.

1.2 An employer and an employee may agree to the employee cashing out a particular amount of the employee’s accrued paid annual leave provided that the following requirements are met:

(a) each cashing out of a particular amount of accrued paid annual leave must be by a separate agreement between the employer and the employee which must:-

(i) be in writing and retained as an employee record;

(ii) state the amount of accrued leave to be cashed out and the payment to be made to the employee;

(iii) state the date on which the payment is to be made, and

(iv) be signed by the employer and employee and, if the employee is under 18 years of age, the employees’ parent or guardian;

(b) 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;

(c) paid annual leave must not be cashed out if the cashing out would result in the employee’s remaining accrued entitlement to paid annual leave being less than 4 weeks; and

(d) employees may not cash out more than two weeks’ accrued annual leave in any 12 month period.