

Special Leave Entitlements

Sabbatical Leave

Traditionally, sabbatical leave referred to a period of extended study leave for a tertiary lecturer or researcher, but now it can mean taking leave for family time, hobbies, travel, sports, sunbathing or sanity. The length of a sabbatical varies as do the conditions agreed.

So should sabbatical leave be paid or unpaid?

That depends on the structure of an individual's package, the reason for the break, and the length of time spent working for the company.

Sabbaticals can not only reduce the risk of burnout but can raise retention rates and give employees a new lease of life.

But who picks up the workload when someone heads off on a sabbatical and does it increase the likelihood of burnout for those left doing all the work?

In most cases the rest of his team picks up the extra work, this is offset when the work is shared equally. And quite often there will be some people who want to step up to the mark and show they can take on additional responsibility.

Whether casually or formally offered, gradually increasing awareness for the sabbatical is good news for job candidates who like a remuneration package packed with options - and for employers who like people packed with punch.

Tips on sabbatical policy

Survey your employees to validate the relevancy and importance of sabbaticals as a benefit before introducing them. Research shows that the desire for sabbaticals as an employment benefit varies depending on the industry.

- Put a real dollar value on sabbaticals and use this when promoting staff benefits during remuneration negotiations.
- Fully document conditions under which sabbaticals may be taken. Case-by-case sabbaticals can foster resentment and cause misunderstandings.
- Be open to a new employee negotiating a total employment package in which benefits such as sabbaticals can be swapped for other benefits. Flexibility of benefits may help retain staff in a tight job market

** Tips courtesy of Aacorn International Management Systems, Marketing Magazine and online management resources*

Leave Without Pay

There is no legal entitlement to unpaid leave. Leave without pay may be granted at the discretion of an organisation where no other leave arrangement is available or appropriate and can be for relatively short periods of time or for longer extended periods of time as required. In granting such leave an organisation should take into account operational needs; the level of inconvenience caused by the staff member's absence; and any additional costs arising from the proposed absence. These may include the costs associated with replacement staffing and additional leave liabilities.

An agreement on leave without pay might come with conditions, e.g. if it is for an extended period, there may be no guarantee of a job on return, but they could get first preference for any vacancy.

Periods of leave without pay do not normally count towards service to the organisation and generally all benefits cease for that period of time (unless otherwise agreed), for example:

- KiwiSaver Employer Contribution (employee would need to take a 'holiday' from their KiwiSaver)
- Public holidays that fall during leave without pay form part of the unpaid leave period

Recording Leave without Pay is optional -- you can achieve the same pay by just reducing the time recorded on the person's timesheet. The advantages of recording Leave without Pay are that you have a complete record of all absences in the person's Leave History, and that the person gets a more explanatory payslip.

Will annual leave be accrued during the period of leave?

Annual Leave can continue to accrue when a person is on leave without pay however the dollar value accrued is zero (as the person has no earnings). If the person receives a final pay, or Holiday Pay payment, no Holiday Pay will be paid for the period of leave without pay, as no earnings will have accrued. Sometimes that can be confusing for employees to understand.

Documentation Required

Whatever agreement you and your employees come to you must ensure it is fully documented, agreed and signed off by both parties. Give your employees an opportunity to take the agreement away with them and consult with an outside party if necessary to ensure they fully understand the implications and conditions of the leave they are taking before signing up.

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