



05 April 2022

[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 18 March 2022. You requested the following:

IRD's policies for both working overtime and accumulating annual leave.

Overtime policy

Inland Revenue does not hold any policies regarding working overtime. Rather, overtime provisions are stipulated in individuals' employment agreements. Therefore, this part of your request has been refused under section 18(e) of the OIA, as the policy requested does not exist.

Annual leave policy

There is no specific policy solely on accumulating annual leave. However, I have attached a copy of Inland Revenue's Leave Policy and Annual Leave Guidelines which address when annual leave is accrued.

Right of Review

If you disagree with my decisions on your OIA request, you can ask an Inland Revenue review officer to review my decisions. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

Finally, please note that, Inland Revenue regularly publishes, on its website, responses to requests that may be of interest to the wider public. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you again for your request. I trust that the information provided is of assistance to you.

Yours sincerely

[REDACTED]

Erina Clayton
Enterprise Leader, People & Workplace Services



Topic 2 – Leave

Kaupapa Whakamatua Leave Policy

This policy explains how common leave types work in Inland Revenue.

We want to assist our people to lead well-balanced lives and we provide a range of leave options to support this. Our leave options include time for rest and recreation, to recuperate from illness or injury, to look after dependants, and to balance other commitments or demands outside of the workplace.

The most common leave types as specified in the Holidays Act 2003, Domestic Violence-Victims' Protection Act 2018 and Parental Leave and Employment Protection Act 1987 include:

- Annual leave
- Bereavement leave
- Domestic violence leave
- Parental leave
- Public holidays
- Sick leave (including using sick leave when caring for sick dependants).

Inland Revenue also offers:

- Special leave in various scenarios (see Topic 2 – 'Special Leave' in our People Policies & Guidelines, and employment agreements for more details)
- Long service leave on completion of five years' continuous service with Inland Revenue. The specific details are set out in each employment agreement.

Leave should be taken for the purpose for which it is required and in the spirit in which it is intended. It is expected that employees will consider the purpose of any leave and ensure that appropriate and reasonable leave is requested. Likewise, leaders should carefully consider any leave request and not unnecessarily withhold approval.

Why we have this policy

This policy provides information about our approach to supporting the leave entitlements in Inland Revenue's employment agreements.

It's essential that Inland Revenue complies with the law and observes employment agreement commitments in its practices. The policy helps us to support the wellbeing of our people and looks to ensure our people consistently follow the correct processes relating to the various leave types.

Who this policy applies to

This policy and the guidelines which support its application apply to all Inland Revenue employees.

Many of the leave provisions are contained in employment agreements. Additionally, employees may have individually negotiated provisions/terms with Inland Revenue or have specific protected terms (some documents refer to these as "grandparented"). To ensure correct identification of entitlements and obligations, people leaders need to check the employee's personnel file and their employee's agreement (including any variations).

Specific practice around leave

NOTIFICATION AND RECORDING

Employees should notify their people leader that they intend to take leave as early as possible and specify the type of leave.

Employees are required to organise leave arrangements with their people leader. The leave is entered and approved through our self service tools to maintain an accurate record of leave taken and current entitlements.

In the case of domestic violence leave, the leave can be also be applied for via a union support person or HR Advice.

Specific types of leave

For further information check the specific guidelines which expand on many of the leave types below (Topic 2 – 'Leave' in our People Policies & Guidelines. The homepage also includes links to employment agreements, protected entitlements etc.)

ANNUAL LEAVE

Annual leave may be taken as it accrues. It must be taken in either full or half days. While generally it is the employee's choice as to how and when they request leave, the usual expectation is that they will take annual leave within 12 months of becoming entitled to it. Employees are encouraged to take at least one long break of at least two weeks each year for rest and recreation. Inland Revenue can require an employee to take annual leave (including specifying when) but must provide a minimum of 14 days' notice. (Situations when this may occur are covered in the annual leave guidelines).

Anticipating annual leave

Where applicable, the employees' employment agreement sets out how much leave may be anticipated. An employee may anticipate some of the next year's annual leave entitlement if their people leader approves. If the employee stops working for Inland Revenue before accruing enough leave to cover the anticipated annual leave taken, Inland Revenue will recover the difference from the final pay if possible.

Inland Revenue's annual close down

During Inland Revenue's annual close down between Christmas and New Year, under the terms and conditions of the various employment agreements, employees must take annual leave, or anticipate annual leave if they do not have enough. There are some exceptions in relation to unplanned leave such as sick or bereavement leave.

In some years specifically identified parts of the business may remain open in this period. If this is planned, Inland Revenue will advise as early as possible (at least one month in advance), including the number of people who will be required to work.

If a part of Inland Revenue wants to have another close down, it must first get agreement from employees, in accordance with the Holidays Act.



Leaders, seek advice from People & Workplace Services (HRArvice@ird.govt.nz) if you are considering another close down, or planning to stay open during the normal closed down.

BEREAVEMENT, TANGIHANGA AND HURA KŌHATU

He kaupapa tēnei hei āwhina i ngā kaimahi i te wā o te tangihanga me te hura kōhatu kia taea e ia te whakatutuki i āna herenga ki tētahi tangata pūmau kua mate atu. Ko te whiwhinga a ngā kaimahi ki tēnei whakamatua kei roto i āha whakaetanga whiwhinga mahi me ngā ture.

Bereavement, tangihanga and hura kōhatu leave is provided to enable employees to meet their obligations and/or pay their respects when a person with whom they had a close association has passed away. An employee's entitlement to this leave is set out in their employment agreement and legislation.

DOMESTIC VIOLENCE LEAVE

Paid Domestic Violence Leave of up to 10 days per year is available for the purpose of assisting employees who are affected by domestic violence. "Affected by domestic violence" is defined as meaning:

A person who is one of both of the following:

- A person against whom any other person inflicts, or has inflicted, domestic violence; or
- A person with whom there ordinarily or periodically resides a child against whom any other person inflicts, or has inflicted, domestic violence.

Entitlements are set out in the Domestic Violence—Victims' Protection Act 2018.

PARENTAL LEAVE

The purpose of parental leave is to provide employees with time away from work when a new child comes into their family. Entitlements are set out in employment agreements and in the Parental Leave and Employment Protection Act 1987. An employee may also be entitled to paid parental leave through the Government's paid parental leave scheme.

Inland Revenue offers some provisions beyond the legislated entitlement, including the following.

Incentive payment

The eligibility criteria and entitlements are set out in employment agreements. Generally, if the employee takes extended parental leave of up to 12 months, then returns to work and completes a further six months of service they will receive a payment equivalent to 30 working days at their pay rate when they started parental leave. If an employee took extended parental leave for less than 30 working days, their payment will be equivalent to the number of working days they were absent.

Timing of access to extended parental leave

Legislation requires at least six months service with the same employer (and minimum hours etc.) for an entitlement to Primary Carer Leave and extended leave. Some Inland Revenue employment agreements allow for a reduced period of extended leave (26 weeks) when an employee has been employed for less than 12 months.

Access to 10 Days Discretionary Leave

The legislation provides that a “*female employee who is pregnant is entitled, before taking primary carer leave, to take a total of up to 10 days special leave without pay for reasons connected with her pregnancy*”. While this leave is generally unpaid, in Inland Revenue this leave is applied for as Discretionary Leave – which does mean leaders have the option to consider a leave with pay option. Likewise, Inland Revenue will also consider up to 10 days discretionary leave with or without pay for the partner of the primary carer for medical reasons related to the birth.

Payment of annual leave accrued while on parental leave

Annual leave will continue to accrue while an employee is on parental leave. On return, this annual leave, as well as any annual leave accrued prior to parental leave commencing, will be treated the same as normal annual leave (paid at ordinary weekly pay or average weekly earnings, whichever is the higher).

The table explains other provisions in relation to parental leave and annual leave:

If the employee's employment with Inland Revenue ends while they are absent on parental leave without pay.	THEN	The employee's service end date is the day immediately before the start of parental leave without pay. No annual leave will have accrued past that point. (It would only have applied if the employee's service had resumed.)
If the employee's employment with Inland Revenue ends during the 12 months after their return to work.	THEN	Any untaken annual leave accrued while on extended parental leave is paid out at a rate equivalent to the average weekly earnings for the 12 months immediately before the end of the last pay period before the annual leave is paid out.
If the employee wishes to cash up leave within 12 months of returning from parental leave.	THEN	The leave is cashed up at the rate equivalent to the higher of the employee's average weekly earnings or ordinary weekly pay for the 12 months immediately before the end of the last pay period before the annual leave is paid out. Note: Employees still need to meet the requirement for cashing up annual leave under the policy and cashing up leave guidelines (see Topic 2 – 'Leave' (Special Leave)).

Note: While not directly related to parental leave, we also offer a **Childcare Subsidy** for eligible employees. Details are in employment agreements and in the Allowances, Benefits

and Retirement Savings Policy (see Topic 7 – ‘Pay & Benefits’ in our People Policies & Guidelines).

PUBLIC HOLIDAYS

Inland Revenue observes public holidays as provided in legislation. Employment agreements set out how public holidays that fall on a day that would otherwise be a working day are treated, in accordance with the Holidays Act 2003.

SICK LEAVE

The purpose of sick leave is to provide employees with time off from work when they, or a person who is dependent on them, are sick or injured. Dependents may include an employee’s spouse or partner, child or parent. Other individuals will be agreed on a case by case basis.

Medical certificate

Depending on the circumstances and employment agreement provisions, an employee may be required to provide a medical certificate for their absence.

When paid sick leave is exhausted

If the employee has no sick leave provision available, options such as taking annual leave or unpaid sick leave can be discussed and may be agreed. Anticipation of sick leave from an employee’s next allocation may also be an option.

Some employment agreements specify details and amounts others are silent and any anticipation would need to be considered on a case by case basis. Unless there are exceptional circumstances, all anticipated sick leave will be recovered from an employee’s final pay, if they leave Inland Revenue before their next sick leave allocation. Employment agreements may be referenced for specific wording.



TEMPLATES AVAILABLE: People leaders have access to template letters including anticipating annual and sick leave and parental leave letters.

Document control	v4 April 2019 (v3 Sept 18; v2, June 2017; v1 Mar 2016)
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Policy owner	Domain Lead – People Operations & Policy; People & Workplace Services
Policy contact	Email the ERP&R team



Topic 2(a) – Leave

Annual Leave Guidelines

These guidelines provide information about requesting, accruing and using annual leave.

Process and planning requirements

You must enter your requests for annual leave in our self-service tools for approval by your people leader before you take the leave. The leave can only be entered in half or full days. Your people leader will approve or decline leave as soon as possible so you can make plans.

Requesting your leave as far in advance as possible will increase your chances of being able to take the leave at a time that suits you and supports your leader to plan for the impact of your absence on work demands and priorities.

Your leader may decline a request for annual leave if your absence at the requested time will affect the needs of the business (for example, if delivery deadlines would be affected). Your leader will let you know the reasons for declining the request and can support you in reconsidering your leave plans.

The only exception to entering your leave in our self-service tools in advance, is if you're absent from the office. For example, if you are taking annual leave because you have run out of sick leave or to extend a period of bereavement leave. Your leader will still need to approve the leave before you take it. They can enter it for you, or you can do it as soon as you return to work.

How you accrue annual leave

Annual leave accrues as you work, including when you are on annual and other paid leave. When you are absent on special leave without pay for more than 35 consecutive days (including weekends), you will not accrue annual leave beyond the first week of that absence. Exceptions to this are set out in the Holidays Act s16 2(a) and include parental leave, unpaid sick leave, unpaid bereavement leave and unpaid family violence leave.

Using your annual leave for sickness or bereavement

You can ask your leader to consider a request to use annual leave to cover a period of sickness. If you have paid sick leave available then annual leave will not be approved.

Depending on the circumstances, if you suffer a bereavement and you wish to have a period of time off work following the death, you may request annual leave in addition to any approved bereavement leave.

Cashing up your annual leave

In certain circumstances annual leave can be cashed up. This is dealt with separately in the 'Cashing up of annual leave guidelines' and 'Exchanging Leave Policy' (see Topic 2(c) – 'Leave' in our People Policies & Guidelines).

Anticipating annual leave

This is dealt with in the 'Leave Policy' (see Topic 2 – 'Leave' in People Policies & Guidelines) and employment agreements.



Templates available via People & Workplace Services: People leaders can access template letters to document anticipated leave.

Building up annual leave

At times you may wish to build up your annual leave balance so you can take a longer holiday. Make sure you talk to your leader well in advance, as they need to approve:

- You building up the leave
- A sensible maximum balance
- The timing of your break, taking into account the overall team leave plan.

Check your employment agreement, as most specify maximum leave balances. These are generally your annual entitlement plus either five days or your current accrued leave.

Being required to use annual leave

If you have a high leave balance or are over the maximum balance in your employment agreement, your people leader may request that you make arrangements to take that leave.

If you don't make arrangements to use your leave when asked to do so, or you and your leader can't agree on when you will take the leave, your people leader can direct you to take annual leave at a particular time, as long as you are given at least 14 days' notice (this notice would normally be given in writing.)

You cannot be required to use annual leave when you are sick and have exhausted your sick leave entitlement or if you have suffered a bereavement.



Leaders must seek advice from People & Workplace Services: (HRAdvice@ird.govt.nz) before formally directing an employee to take annual leave.

Using annual leave for sickness

In some circumstances annual leave may be used to cover sickness.

People leader considerations: Here's what you need to consider if a team member wants to use annual leave for sickness:

- Has the team member exhausted all their sick leave entitlement?
- What impact will using annual leave have on their ability to take a reasonable break of two weeks' leave for rest and recreation another time (this is required under the Holidays Act)? Have they had at least one two-week period of annual leave in the last six months?
- How much sick leave has the team member anticipated from their next paid sick leave entitlement? If none, can they anticipate sick leave before using up their annual leave?
- When are they next due a sick leave entitlement?
- What are their entitlements under their employment agreement?



Leaders must seek advice from People & Workplace Services:
[\(HRAdvice@ird.govt.nz\)](mailto:HRAdvice@ird.govt.nz) before allowing a person to take annual leave to cover sickness.

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Policy contact	EmploymentRelationsPolicy&Remuneration@ird.govt.nz