

# Cashing Out Annual Leave

Many employees are now able to make application to their employer to 'cash out' a portion of their annual leave. This means that an employee will be paid for an amount of their annual leave instead of taking it as a period of absence.

The ability to apply to cash out annual leave is provided by the Queensland Employment Standards (QES) in the *Industrial Relations Act 2016*.

The QES requires that each time annual leave is cashed out:

- It is by mutual agreement only;
- Agreement is to be recorded in writing;
- At least 4 weeks annual leave must remain in the employee's accrued balance; and
- The employee is paid what they would have received if they had taken the leave.

To assist public sector managers to make responsible decisions, a guidance note has been developed by Public Sector Industrial Relations to identify factors that may be relevant when considering an application.

The guidance note also sets out a list of factors that may be relevant for agencies to consider when implementing policies and procedures in relation to cashing out of annual leave applications.

The guidance note is attached to this circular.

## **For further information**

Please direct enquiries to your agency's nominated PSIR contact or the general enquiries email [M-IR@justice.qld.gov.au](mailto:M-IR@justice.qld.gov.au).