

EMPLOYMENT OPTIONS FOR LONG TERM PAID LEAVE – THE “TWO FOR TWO & A HALF” AND “FOUR FOR FIVE” SCHEMES

PURPOSE:

AUT offers eligible employees access to two employment options that provide long term paid leave in exchange for reduced salary. The purpose of the employment options is to support staff in finding work-life balance by providing options to take an extended period of paid leave during which they can pursue professional, educational, research or personal goals.

Eligibility

To be eligible for the scheme, employees shall be in permanent, full time employment.

Application to join the scheme

1. An application to join either scheme must be made in writing to the employee's Head of Department or Centre. The Departmental Head or Manager will then forward the application with a recommendation to their manager, with a copy to the Human Resources Portfolio Director.
2. Approval (by the manager's manager) of an application to join the Two for Two-and-a-half scheme will not be unreasonably withheld.
3. The Human Resources Portfolio Director will advise the applicant in writing of the decision and, if successful, will also specify the starting date for salary deductions which will take effect from the date of the pay run following the date of confirmation of acceptance.
4. The Human Resources Portfolio Director will notify acceptances to the Head of HR.

Conditions and terms of the employment options Remuneration

1. Successful applicants would receive 80% of their Full-Time Equivalent (FTE) salary for two years. At the end of two years he/she would then take an extended period of up to six months off work on paid leave. The scheme also operates on a “Four for Five” basis, in which up to 12 months paid leave would follow completion of a four year qualifying contribution period.
2. Effective from the start date all taxable salary will be reduced to 0.80 of the Full-Time Equivalent (FTE) salary.
3. All other salary conditions will continue to apply while the applicant is in the scheme. This includes annual increments and general salary increases.
4. Special Responsibility, Higher Duties or Market Forces salary allowances will be paid in full and will not be subject to the 0.80 factor during the work years to which they apply. These allowances will not be paid during the leave period of the Two for Two-and-a-half scheme.
5. Other allowances or reimbursements will not be affected while the employee is in the scheme.
6. Non-monetary benefits will be available only for the work years of the scheme.
7. Participation in superannuation or insurance schemes may be affected by the operation of the scheme. Applicants should seek clarification from Payroll at the time of application.

Leave Entitlements

The employee's leave entitlements under their collective agreement or individual employment agreement with the University will remain unaffected by the operation of this scheme, however the operation of the scheme is suspended in the event an employee, during the period of extended leave, applies for annual, sick or 'ACC' leave.

During the leave period the University shall not claim any service from the employee under their substantive employment agreement, nor seek to prevent the employee engaging in any lawful activity.

Employment during the leave period

Nothing in this policy shall prevent an employee during their leave period from entering into another contract of employment or a contract for services with another employer. The existence of any additional employment agreement shall not affect payment under the employee's employment agreement with AUT.

Withdrawal from the scheme

An employee may withdraw from the scheme at any time during the qualifying contribution period by giving one month's notice in writing to the Human Resources Portfolio Director. The employee can then elect to either:

Apply to take the leave owing at the time of withdrawal at a mutually agreed time, OR

Apply to have the leave owing cashed up.

Completion of the qualifying contribution period (QCP)

It is the responsibility of the employee, no later than three months prior to completion of the QCP, to apply for the full period of leave. In exceptional circumstances a manager may agree to defer the period of leave however the period of leave must otherwise commence within 12 months of the completion of the QCP.

Upon completion of the QCP the following provisions apply:-

1. The period of leave shall commence;
2. All contributions to the scheme cease;
3. An employee on the "Two for Two & a Half" scheme may apply to transfer to the "Four for Five" scheme and continue contributions.
4. The overall period of leave will be extended to provide for 25 days Annual Leave (pro-rated for the 2 year scheme) to be taken.

At the expiry of 12 months from the completion of the QCP the period of leave has not commenced, the value of the leave will be cashed out.

Grants and Funding

All grants and funding schemes available to University staff shall be available to employees in either scheme.

Budgeting and Accounting

Liabilities under the scheme will be accrued each year to the individual cost centres involved. Accrual credits will be brought forward in either the third or fifth year as appropriate.

Right of Appeal

An applicant has the right to appeal against a decision to decline their application. The appeal is to be made in writing to the Group Director, People & Culture.

RELATED PROCEDURES/DOCUMENTS

The Work-life Balance Policy Date

Note: [Policies](#) and [Procedures](#) can be found on AUTi.

Document Management and Control

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