

## 5. RECREATION LEAVE LOADING

### Entitlement

#### 5.1 Recreation leave loading entitlement

- (a) In addition to normal salary payment for recreation leave, an employee is entitled to a recreation leave loading on 1 January each year. Subject to by-law 5.1(b), the amount of the loading will be the lesser of:
  - (i) 17 and one half percent of the value of the annual recreation leave accrued over the previous year based on the employee's salary, including allowances in the nature of salary; or
  - (ii) a maximum payment the equivalent of the Australian Statistician's Northern Territory male average weekly total earnings for the May reference period of the previous year.
- (b) In the case of a shift worker who would have been entitled to shift penalties in excess of the maximum payment referred to in by-law (i) had the employee not been on recreation leave, the amount of the recreation leave loading will be equivalent to the shift penalties.

#### 5.2 Payment of recreation leave loading

- (a) An employee who is approved to use at least one week of recreation leave may apply for an accrued recreation leave loading.
- (b) On cessation of employment an employee is entitled to payment in lieu of any unpaid leave loading plus a pro rata payment of the leave loading entitlement at 1 January of the year of cessation for each completed month of service.
- (c) Where an employee commenced and ceased employment in the same year, the employee's salary for purposes of calculation of the leave loading at by-law 5.2(b) will be the salary payable had the employee been employed on 1 January of that year.

#### 5.3 Automatic cash out

- (a) Where an employee has two or more recreation leave loadings, the following automatic payment provisions will apply:
  - (i) the common cash-up date for the automatic payment of recreation leave loadings is the second payday in January

of each year or in any case by the end of January each year;

- (ii) an employee with two accrued recreation leave loadings as at 1 January will have one recreation leave loading automatically paid on the common cash-up date of that year;
  - (iii) an employee with three or more accrued recreation leave loadings as at 1 January will have two recreation leave loadings automatically paid on the common cash-up date of that year;
  - (iv) recreation leave loadings will be paid in the order of accrual; and
  - (v) recreation leave loadings will continue to be taxed in accordance with current Australian Taxation Office taxation legislation applicable to the payment of recreation leave loadings, except that recreation leave loadings automatically paid on the common cash-up date will be fully taxed.
- (b) The automatic payment of recreation leave loadings will not apply to shift workers.