



## Australia Annual Leave (PTO) Cash Out FAQs

Effective December 1, 2022

### 1. Why are we allowing this annual leave cash out?

We have heard from employees that they would like the ability to cash out a portion of annual leave in order to use this benefit more flexibly.

### 2. Must I take annual leave in order to utilize the annual leave cash out benefit?

Yes, the eligibility rules require you to take a minimum of at least 5 or 10 days of annual leave from 1 December 2022, in order to cash out 5 or 10 days of annual leave respectively. A reminder - after annual leave cash out, your annual leave balance must be 20 days or more. Please ensure that you submit all your annual leave requests into [Workday](#).

### 3. Are interns or Adobe Paid Temps entitled to this cash out benefit?

Yes. Interns and Adobe Paid Temps can utilize annual leave cash out if they meet the eligibility rules.

### 4. Can you please give me some examples on how this works?

#### Example 1 – February cash out

An employee has taken 8 days of annual leave (including 3 days which were ANZ shutdown) since 1 December 2022 until 31 January 2023. On 1 February 2023, the employee receives a Rewards Check In salary increase. On 5<sup>th</sup> February, with an annual leave balance of about 40 days, they decide to cash out 5 days of annual leave to fund an upcoming holiday over Easter (note - they are not eligible to cash out 10 days as they have not taken 10 days of annual leave since 1 December 2022). They enter this into Workday on the same day and the cash out is calculated based on their salary on the 5<sup>th</sup> of February. Their annual leave balance is reduced by 5 days. This is paid out to the employee in the mid-March payroll cycle.

#### Example 2 – May cash out

An employee has taken 20 days of annual leave from 1 December 2022 until 30 April 2023. Towards the end of May, with a balance of about 29 days the employee decides to cash out annual leave. Although they have taken > 10 days of annual leave since 1 December, they cannot cash out 10 days of annual leave as that would reduce their balance < 20 days. Instead, the employee applies for 5 days of annual leave cash out on 31 May (the final day a cash out can be requested) and this is based on their salary on 31 May. Their annual leave balance is reduced by 5 days however still remains > 20 days. This is paid out to the employee in the mid-June payroll cycle.

### 5. Will the annual leave cash out reduce my annual leave (PTO) balance?

Yes, your annual leave or PTO will be reduced by the amount of the cash out. For example, if your annual leave balance was 50 days as of 1 December 2022, and you wished to cash out 10 days, you would first need to take a minimum of 10 days of annual leave. After annual leave taken (assuming you only take 10 days), your balance would be reduced to 40 days. At this point, you could cash out 10 days which would reduce your annual leave balance further to 30 days.



**6. Must I take annual leave in 5- or 10-day blocks in order to qualify for the annual leave cash out?**

No, you can take annual leave how you want (e.g., 1 day, 3 days, etc.) and not necessarily in groups of 5 or 10 for the cash out. Workday will automatically calculate how many days of annual leave you have taken since 1 December 2022 to check for annual leave cash out eligibility.

**7. What is the maximum number of days I can cash out?**

10 days (provided you meet the eligibility criteria).

**8. Can I request an annual leave cash out more than once?**

Yes, you can request annual leave cash out of 5 days on 2 occasions (provided you have taken at least 10 days of PTO or more since 1 December 2022 and your balance after annual leave and annual leave cash out is 20 or more days). If you opt for the 10-day cash out, this can only be requested once.

**9. Can I cash out annual leave of 7 days, if, for example, I have taken 7 days of annual leave?**

No, annual leave cash out is restricted to 5 or 10 days only.

**10. What date should I apply for annual leave cash out?**

Once you are eligible for annual leave cash out and decide you to want to utilize this benefit, you should apply for annual leave cash out in Workday on today's date.

**11. How much will the annual leave cash out be?**

Your annual leave cash out will be paid at your regular monthly base salary rate. The calculation for sales and non-sales employees are as follows:

$$\text{Pay out} = \text{base salary} \times \# \text{ of days of cash out} / 260 \text{ days} = \$\text{XXX}$$

For example, if you have met the eligibility criteria, wish to cash out 5 days and your base salary is A\$100,000, your payout will be calculated as follows:

$$\text{A\$100,000} \times 5 \text{ days} / 260 \text{ days} = \text{A } \$1,923.08$$

This figure is a gross number and before statutory taxes are deducted. This figure will also be calculated and communicated on the agreement in Workday for your e-signature.

**12. I am a sales commissioned employee, how will this annual leave cash out impact my commissions?**

This will not impact your commissions. As per FAQ 11, you will be paid as if you are on annual leave i.e., you will continue to be paid base salary plus actual commissions.



**13. What is the tax and superannuation implications on this annual leave cash out payment?**

Your annual leave cash out is treated as salary and subject to income tax. Superannuation will apply on top of these payments (subject to any relevant caps).

**14. When will the annual leave cash out be paid?**

Annual leave cash out will be paid out the month following submission in Workday.

**15. Where and how can I apply for this annual leave cash out?**

You can only apply for annual leave cash out through Workday. Please refer to [this knowledge article in the Support Centre](#) for a step-by-step guide on how to apply. Please note you will need to read, acknowledge and apply your e-signature to a consent form via Adobe sign in Workday on the same day as your application. Without this signed agreement, your annual leave cash out will not be processed. All agreements which are not signed on the same day will automatically be cancelled in Workday the very next business day.

**16. When is my last opportunity to request an annual leave cash out?**

Submissions will be received in Workday until 31 May 2023. After this time, the annual leave cash out benefit will discontinue. All submissions received in May will be paid in June.

**17. Will my manager have to approve my annual leave cash out request?**

No, manager approval is not required. Note – Workday will automatically send a notification to your manager when you request a cash out. If you are going on annual leave, you need to seek manager approval *and* enter your annual leave into [Workday](#).

**18. Does the mandatory 3 days of annual leave over the ANZ shutdown in December count towards my annual cash out eligibility criteria?**

Yes, the 3 days of annual leave does contribute towards meeting your eligibility criteria for the annual leave cash out.

**19. I applied for annual leave cash out in Workday, but I don't think it has been paid to me? What could have happened?**

The two main probable reasons why annual leave cash out has not been paid are as follows:

1. You did not e-sign the agreement on the same day you applied for annual leave cash out in Workday. As outlined in this [knowledge article in the Support Centre](#), you must apply for annual leave cash out in Workday and then agree (confirming this with your e-signature) to the terms of the annual leave cash out (agreement can be found in your Workday inbox). Any agreements which are not signed on the day of application are automatically cancelled in Workday the very next business day. If this applies to you, you will be required to apply for annual leave cash out again in Workday.
2. Depending on the timing of when you applied and successfully e-signed the agreement, it's possible that you missed the payroll cut off that month and it will be paid the following month. For example, if you applied on the 5<sup>th</sup> of February, your annual leave cash out will not be paid until mid-March (at the same time as your regular monthly salary).



**20. Must I use this benefit?**

No, annual leave cash out is a 100% discretionary benefit. You may choose not to utilize this benefit.

**21. After the annual leave cash out has been paid, can any changes be made?**

No. Once the annual cash out agreement has been signed, or the payment has been made, no amendments (including cancellations) can be made.

**22. Why is this benefit only for 6 months and will we offer this benefit again in the future?**

At this time, this initiative is a once-off discretionary benefit. Depending on the utilization and feedback we receive, we may look to implement this again in the future.