



ANNUAL SHUTDOWN: LEAVE PAY AND LEAVE ENHANCEMENT PAY CALCULATIONS 2022

Although the Main Agreement has been extended to non-parties as of October 2022, the provisions regarding annual shutdown and the calculations of Leave Pay and Leave Enhancement Pay (also known as leave bonus) are the same in the Main Agreement as they are in the TCOE Agreement. Below are the most pertinent provisions regarding annual shutdown and the calculation of Leave Pay and Leave Enhancement Pay (LEP):

- The dates of the annual shutdown are determined by the firm’s management. However, the shutdown must take place as close as possible to the previous year’s shutdown.
- The three consecutive weeks’ paid leave must be taken over an unbroken period and must include four weekends. In addition, the three weeks’ leave must be extended with full pay for each public holiday which falls during the shutdown period, and which would otherwise have been an ordinary working day. This year, depending on the start of the annual shutdown, the following public holidays fall into this category:
 - Friday, 16 December Day of Reconciliation
 - Monday, 26 December Day of Goodwill
 - Tuesday, 27 December Public Holiday
 - Monday, 2 January Public Holiday
- All employees are entitled to their full leave pay and bonus on completion of 234 shifts worked on a five-day week basis or 283 shifts on a six-day week basis, excluding overtime.

Calculating shifts

A **maximum** of 234 shifts (5-day week) or 283 shifts (6-day week) may be worked during a single year and are calculated as follows:

	5-day week	6-day week
Number of days in a year	365	365
Less: Saturdays and Sundays	104	52
Less: Three weeks’ annual leave (working days)	15	18
Less: Public holidays*	12	12
Total number of shifts	234	283

This year there are 10 public holidays, as New Years’ Day and Heritage Day fell on a Saturday. Since the dates of the annual shutdown change from year to year, an employee **who works all available shifts during the year is entitled to full Leave Pay and LEP, even where the shifts available amount to more or fewer than 234 shifts (5-day week) or 283 shifts (6-day week) respectively.*



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New employees and others who have not worked all available shifts during the year are entitled to *pro rata* Leave Pay and *pro rata* LEP.

Leave qualifying shifts

	5-day week worker	6-day week worker
Minimum number of shifts to be worked	234 shifts	283 shifts
Periods of absence because of sickness counting towards leave qualification purposes (provided that an employer may call upon the employee for a medical certificate in proof of cause of absence)	43 shifts	52 shifts
Periods of absence falling within the scope of the COID Act	Full number of shifts during absence	
Absences while on the additional week's paid leave or accumulated additional leave	Periods of absence whilst on this additional paid leave count as shifts worked	
Periods of absence on account of "lay-offs" totaling no more than 8 weeks	Full shifts	
Absences whilst on a protected strike in terms of section 64 of LRA (note: NOT s77, or <i>socio economic</i> protests)	Full number of shifts while on protected strike	
Shop stewards training leave	Periods of absence whilst on shop steward training count as shifts worked	
Shop stewards elected as Trustees and/or representatives of MIBFA, MEIBC and/or MerSETA	Periods of absence whilst attending a MIBFA/MEIBC and/or MerSETA meeting count as shifts worked	



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Note regarding public holidays:

When a public holiday occurs on a Saturday, employees working at companies trading from Monday to Friday do not accumulate a shift, even if they work on the Saturday. Public holidays that fall on a Sunday cause the following Monday to be observed as a public holiday. The public holidays which need to be considered this year when calculating shifts are:

Human Rights Day	Tues, 22 Mar 2022
Good Friday	Fri, 15 Apr 2022
Family Day	Mon, 18 Apr 2022
Freedom Day	Wed, 27 Apr 2022
International Workers' Day	Mon, 02 May 2022 (As 1 May was a Sunday)
Youth Day	Thurs, 16 Jun 2022
National Women's Day	Tues, 09 Aug 2022
Day of Reconciliation	Fri, 16 Dec 2022
Day of Goodwill	Mon, 26 Dec 2022
Public Holiday	Tues, 27 Dec 2022

Shift accumulation and short time

- Short shifts worked whilst working short-time count as shifts actually worked. Employees working 24 hours or more spread over three or four days and employees on a three-shift system working three or four shifts per week:
 - must be credited with the full shifts for an ordinary week for purposes of paid leave for up to three months in any calendar year; and
 - thereafter, must be credited with one additional shift per week over and above shifts actually worked for purposes of paid leave.

An employee who worked all available shifts from the first day after the previous year's annual shutdown up to and including the last shift preceding the current shutdown is entitled to full leave pay and a bonus.



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An employee qualifies for an additional week's paid leave from his fourth and subsequent consecutive periods of annual leave and, by mutual arrangement between the employer and employee, the annual shutdown may be extended by an extra week, or the employee may be paid out the monetary value of this extra week's leave. Alternatively, and again by mutual agreement, the extra week's leave may be accumulated until the employee qualifies for such extra three weeks' paid leave.

In cases where employees doing essential work continue working during the shutdown, the relevant MEIBC regional office must be informed of the names of these employees at least one month in advance. These employees must be given their paid leave within four months of the date of the shutdown.

LEAVE PAY:

Every employee is entitled to Leave Pay calculated on the following basis:

$$\text{Normal weekly wage rate (excluding allowances)} \times \begin{matrix} 3 \text{ weeks} \\ (4 \text{ weeks where employee is} \\ \text{entitled to additional leave)} \end{matrix} \times \frac{\text{Number of shifts worked}}{234 \text{ shifts (5 day week worker)}}$$

LEAVE ENHANCEMENT PAY:

Every employee is entitled to LEP calculated on the basis of 8,33 percent of actual earnings, excluding allowances (calculated on a 40-hour work week or upon actual normal hours worked) on the date the employee actually goes on leave, and in the case of termination, at the actual rate at the date of termination.

$$\text{Normal weekly wage rate (excluding allowances)} \times 52 \text{ weeks} \times 8,33 \% \times \frac{\text{Number of shifts worked}}{234 \text{ shifts (5 day week worker)}}$$

Please contact SAEFA should you have any queries relating to the annual shutdown provisions or the calculation of Leave Pay and/or Leave Enhancement Pay.