

Four for Five

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Major changes/additions since the last version was approved are indicated by a vertical line in the left hand margin.

1 Introduction

1.1 Purpose

To provide an option where Ara staff can work for four years and have a fifth year without employment responsibilities.

1.2 Scope and Application

- a The scheme is available to all full-time permanent/tenured staff who are not subject to a current disciplinary action by Ara.
- b Applications from proportional staff will be considered, depending on Ara operational requirements.

1.3 Formal Delegations

Refer Human Resources Delegations Schedule.

1.4 Definitions

- a **Accumulated service:** The period of time recognised as service from commencement of employment.
- b **Employment Responsibilities:** All tasks, outputs, activities and expectations associated with the staff member's contract of employment with Ara.

Related Ara Procedures <ul style="list-style-type: none"> State Sector Act, 1988 Academic Staff Employment Agreements 	Related Ara Policies <ul style="list-style-type: none"> CPP214 Human Resources Management
Related Legislation or Other Documentation <ul style="list-style-type: none"> Employment Relations Act 2000 	Good Practice Guidelines (indicate if attached to policy or where they can be found) <ul style="list-style-type: none"> Nil
References <ul style="list-style-type: none"> Nil 	
Notes <p>This scheme was introduced from 2002 and initially included with the Human Resource Management policy (as an attachment). The 2010 version was substantially changed.</p>	

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2 Principles

- 2.1 Ara is committed to flexible working arrangements for its staff, within the boundaries of Institutional priorities.
- 2.2 Ara is a learning organisation and creates opportunities for staff to explore a wide range of options.
- 2.3 The use/application of the fifth year of this option is entirely at the staff member's discretion.

3 Associated procedures for Ara Corporate Policy on: Four for Five

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	3.2	Application Process
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	3.4	Withdrawal from the Scheme
	3.5	Job Security and Returning from the Fifth Year

3.1 The Scheme

- a A staff member who is on the Four for Five scheme works the first four years.
- b During the first four years:
 - i any period of Leave Without Pay (LWOP) does not count towards entitlement
 - ii any period of Academic Study Leave (ASL) does count towards entitlement.
- c For the fifth year, the staff member is on full leave classified as "leave without pay".
- d Service is considered continuous, except that Year Five (the year in which the staff member is on leave) is not included in any calculation of accumulated service.
- e The fifth year can be used in any way the staff member wants. Ara has no claim on their time. Current ACC law does not cover a staff member in the event of an accident while on leave of this nature.
- f The current income protection scheme will not apply during this period of leave.
- g Although on approved leave in the fifth year, staff members' common law obligations as an employee of Ara means that they must not do anything that actively seeks to undermine Ara's interests.

3.2 Application Process

- a Applications to take up the Four for Five employment option will be made in writing to the Director of the staff member's Division in the year prior to Year One of the scheme. The Director will consider, comment on, and forward the application with a recommendation to the Director Corporate Services.

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- b Acceptance of an application will not be unreasonably withheld. However, issues such as the effect on the work team and/or institution (e.g. number of staff on leave at the same time, likely ability to recruit/redeploy others to cover in the fifth year) will be taken into account.
- c The staff member is required to confirm in writing four months before the end of their fourth year in the scheme that they will be taking leave for the fifth year.
- d It is strongly recommended that staff applying to enter the Four for Five option seek independent advice, including financial advice, to determine whether it is suitable for them.

3.3 Financial Implications

- a Staff taking up the Four for Five Scheme have two options available to manage the financial implications of the fifth year on leave.

Option A:

- i The staff member receives 100% of their salary for the first four years and is granted leave without pay for the fifth year.
- ii Staff taking up this option will be required to sign a document that they understand that the financial and related issues are their own concern in the fifth year.

Option B:

- i The staff member receives 80% of their full salary for five years.
 - ii For the first four years the staff member works full-time, with no substantive changes to their duties and work load.
 - iii For the fifth year, the staff member is on full leave classified as “leave without pay” also at 80% of their salary
 - iv Payment in Year Five may be a lump sum or direct credit payments on a monthly basis. It will include any interest that has accumulated in the account maintained on the staff member’s behalf.
 - v A small annual administration fee will be charged to cover costs related to the trust fund on behalf of staff entering the scheme. The amount will be communicated to each staff member when their application is received.
- b Where a staff member contributes to Government Superannuation Fund (GSF) the full (100%) GSF contributions will be made in Years 1 – 4, but in the fifth year, Ara will not pay GSF contributions, as the staff member is on leave without pay.
 - c Kiwisaver employer contributions are based on the staff member’s gross salary therefore those contributions will not be paid in the fifth year. Staff need to make arrangements for payment of their employee contribution.
 - d There may be personal tax issues that arise out of the circumstances of the fifth year on unpaid leave which will be the responsibility of the individual staff member.

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3.4 Withdrawal from the Scheme

From Option A:

- a With three months' notice, any staff member may elect to withdraw from the Four for Five employment option during any year of the scheme, except during the last four months of the fourth year.
- b Once staff members are in the Four for Five scheme they are in it for the full five years or until they withdraw from the scheme or resign from Ara.

From Option B:

- a If a staff member involved in the Four for Five option resigns from Ara at any time during the five year period, the staff member shall be paid out for any untaken leave that has accrued, plus any interest that has accumulated in the account kept on the employee's behalf (minus the administration fee). If a staff member resigns during or at the end of the fifth year, normal notice periods apply.
- b With three months' notice, any staff member may elect to withdraw from the Four for Five employment option during any year of the scheme, except during the last four months of the fourth year. At the end of the three months' notice period, the staff member returns to 100% of full-time salary and receives a cash payment for any leave that has accrued but not been taken.
- c Once staff members are in the Four for Five scheme they are in it for the full five years or until they withdraw. Partial withdrawal of funds from Trust Accounts is not permitted. Withdrawal from the scheme is the only option.

3.5 Job Security and Returning from the Fifth Year

- a The staff member is entitled to the same position held prior to the year on leave, allowing for ordinary changes that occur over the period of a year.
- b The full salary (100%) shall be at the same rate as when the staff member went on leave, plus any inflation and/or collective employment agreement adjustments that were made in the year of absence. If the staff member applies for, and is successful in resuming the Four for Five option for another five years, the salary will continue on the 80% basis.
- c Although Ara has an obligation to keep the staff member's job open for them to return to after the fifth year, in the event of any situation arising which may result in a significant job change or otherwise affect employment, staff who are on leave during the fifth year are not exempt from consideration. Notification of any such situation will be in accordance with the required consultation process.

Further information or assistance

Management and staff may seek further advice regarding the Four for Five Scheme from:

- their immediate supervisor
- the designated HR Advisor for their area
- Human Resources
- the Infoweb.

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