



<b>OTAGO POLYTECHNIC MANAGEMENT POLICY</b>		<b>Number: MP0438.04</b>
Title:	<b>Four for Five Employment Options</b>	
Classification:	<b>Workforce</b>	
Chief Executive Approval:	<b>Effective Date: 01 Dec 2019</b>	<b>Review Date: 01 Nov 2022</b>
Previous Policy No:	<b>n/a</b>	<b>Status: Current</b>
Contact Authority:	<b>Deputy Chief Executive: People and Performance</b>	

## Purpose

The Four for Five Scheme (the Scheme) is a way of providing permanent employees who work 0.6FTE or above, a period of 6 or 12 months away from the Polytechnic. This provides an opportunity for refreshment, both personally and professionally.

## Summary

Staff may apply to vary the structure of their employment relationship for a set period of time (the scheme period). During the scheme period they will be paid 80% of normal salary and accrue Four for Five leave. There will be no substantive change in duties for staff whose application to join the Scheme is accepted and they will return to their substantive role once they leave the Scheme.

For clarity, the Scheme is an employee benefit and all 0.6FTE or above permanent employees are able to apply. It is initiated by employee request and there is no requirement or expectation by the Polytechnic that any employees join the Scheme.

The two options are:

- A. A two and a half year scheme period, comprised of 2 work years and 6 months leave
- B. A five year scheme period, comprised of 4 work years and 12 months leave

The intention is that the leave period is to be taken as a consecutive period of 6 months for option A and 12 months option B at the conclusion of the work years of the scheme. The staff member can apply to the Director People and Culture to split or defer the leave period as detailed in paragraph 14.

The leave period is paid out at 80% of the normal salary at the time the leave is taken. The exception to this is if the employee withdraws from the scheme early (before the two and a half or five years is completed), in this case the accrued salary deductions will be reimbursed to them.

## Statutory Compliance

Holidays Act 2003, and all subsequent amendments

Income Tax Act 2007, and all subsequent amendments

## Policy

### Application and Approval

1. Applications to enter the Scheme will be made in writing to the Formal Leader to whom the staff member reports. The Formal Leader will consider, comment on, and forward the application with a recommendation to the Director People and Culture.
2. There will be two scheme start dates each year – the first day of the first pay period in January and the first day of the first pay period in July. Applications should be lodged with your Formal Leader as soon as possible prior to the proposed start date of the scheme. All applications must be with People and Culture as follows:
  - 2.1 Start Date early January – applications due in People and Culture by 31 October;
  - 2.2 Start Date early July – applications due in People and Culture by 30 April.
3. When making the application, the staff member shall specify the Four for Five employment option which they wish to undertake, A or B, the date that they wish to start the scheme (either the first day of the first pay period in January or the first day of the first pay period in July) and the dates that they propose for the leave period.
4. A staff member's acceptance into the Scheme is at the discretion of the Director People and Culture, however approval of an application to join the Scheme will not be unreasonably withheld, provided the applicant meets the following criteria:
  - 4.1 is a permanent employee;
  - 4.2 is employed as 0.6 FTE or more;



- 4.3 is not subject to any disciplinary or performance management process at the time of application.
5. A staff member cannot re-enter the scheme until they have completed the full leave period associated with the current application.
  6. The Director: People and Culture will advise the applicant and their Formal Leader of the decision and, if successful, will confirm the starting date for salary deductions.
  7. An applicant can appeal against a decision to decline his/her application. Such appeal shall be made in writing to the Chief Executive. The Chief Executive's decision will be final.
  8. An application may be declined or accepted with a deferred start date for the leave period if otherwise an unreasonable load of leave would occur for the academic department/service area at one time, or an unwarranted disruption during a programme or operational cycle would result. Deferments shall be the minimum required to deal with the problem. Applicants may withdraw if proposed deferments do not suit them.

### Remuneration

9. When staff join the Scheme, they are paid at 80% of their normal salary for the period they are in the scheme (the scheme period) At the conclusion of the work years of the scheme staff are able to take leave from their substantive role at the Polytechnic (6 months for option A or 12 months for option B).
10. During the entire scheme period, including the work years and the leave period, the employee will be paid at 80% of their normal salary
11. Other non-monetary benefits such as use of Polytechnic equipment, unless otherwise specifically agreed, will be available only for work years of the scheme.
12. Superannuation and/or insurance entitlements will apply throughout the period of the Scheme. Note however that superannuation deductions will be made off the reduced salary amount.
13. Discretionary leave will not accrue while the employee is on four for five leave
14. Four for Five leave is accrued and recorded in the payroll system during the scheme period, and must be entered into ME@OP as Four for Five leave when it is taken.

### Other conditions and information

15. **Time off Work (leave) on Four for Five:** After 2 or 4 years from the start date of an individual's entry to the scheme, 26 or 52 weeks Four for Five leave shall be taken. This is generally immediately following the two or four year work period, unless there was a deferment previously agreed as per paragraph 7. If after the start date of the scheme, the staff member wishes to defer or split the leave period they should apply to the Director People and Culture, who will consider applications on a case by case basis with approval dependent on operational need and formal leader support. The staff member will remain employed by Otago Polytechnic while they are in the leave period, so agreements around confidentiality and intellectual property will continue to apply. The staff member's obligations of fidelity and good faith (which includes being responsive and communicative) will also continue to apply.
16. **Employment on Top of Four for Five:** Nothing in this policy shall prevent any staff member, during and limited to the Four for Five leave period, entering into another employment agreement with another employer or entering into a contract for services with Otago Polytechnic to complete work not connected to their substantive position, provided no conflicts of interest arise. There may be a conflict of interest if the staff member's employment or contract with another organisation brings the Polytechnic into disrepute or if there is a risk of disclosure of our commercially sensitive information or intellectual property. If a staff member participating in the scheme plans to work for another organisation (either as an employee or contractor, or if they plan to set up their own business), they will be expected to be transparent with the Polytechnic about this so that any potential conflicts of interest can be managed.
17. **Unpaid leave while in the Scheme:** Should the staff member require a period of unpaid leave during the time they are in the work years of the Scheme (e.g. parental leave, approved leave without pay or ACC situations), the scheme will be frozen in time for the period of the leave and extended by the exact period of unpaid leave. In the event of this happening a revised start date for the Four for Five leave will be agreed.

18. **Financial Implications:** Depending on personal circumstances, participation in the scheme may have an impact on income tax, superannuation, ACC and other associated areas. These matters are the staff members personal responsibility, however if you would like to discuss your personal situation, please contact the Director of Business Services.
19. **Withdrawal from the scheme:** A staff member may withdraw from the scheme at any time prior to taking the leave by giving one months' notice in writing to the Director: People and Culture. If a staff member withdraws from the scheme or resigns their employment with the Polytechnic, all salary deductions will be reimbursed to the staff member.
20. **Change in Employment Status:** If a staff member who is participating in the scheme changes their position or proportion of employment in the Polytechnic, the Polytechnic reserves the right to reconsider on-going participation in the scheme. The Polytechnic must consult with the individual to seek a mutually agreeable arrangement for the scheme. In the event that approval to continue is denied, the staff member shall be treated as if he/she had withdrawn from the scheme, except no notice period is required.

**Referral  
Documents**

**Appendix One: Four for Five Employment options FAQ's**

MP0484 Leave Management

MP0439 Flexible Working Arrangements

**Approved by Chief Executive**  
**Date: 01 December 2019**



## **Appendix One: Four for Five Employment Options FAQ's**

### What advantages are there in Four for Five employment?

Four for Five employment produces another option for the regular refreshment of staff to pursue any activities which are important to them, e.g. leisure, travel, personal study, trying out other employment options. The scheme is also a means by which staff who are contemplating retirement are able to have a trial period of retirement, and are able to reduce their income in preparation.

This has obvious advantages for both staff members and the Polytechnic. It also is a way of creating opportunities within the Polytechnic for other Otago Polytechnic or visiting staff to gain experience.

### What can staff members do in the period off on pay?

Anything they like – the only limitation is if a conflict of interest may arise. Aside from this, the Polytechnic has no claim on the time. The options might include:

- Further training;
- Working for another employer;
- Visiting other institutes;
- Undertaking research, funded or unfunded, related or unrelated;
- Gaining industry experience;
- Gaining higher or other qualifications;
- Doing consultancies;
- Setting up a business;
- Travel;
- Holiday;
- Caring for dependents;
- Writing a book.

### Are there any employer and employee obligations during the leave period?

Yes. The Polytechnic has an obligation to keep your job for you to return to. The only exception to this is in the case of a bona fide surplus staffing situation in the staff member's area of employment. In this case the staff member has all of the rights he/she would have enjoyed had he/she still been at work.

You have a common law obligation as an employee of the Polytechnic not to do anything by which you actively seek to undermine the Polytechnic's interests, (known as the obligation of fidelity) You will remain employed by the Polytechnic during your period of leave so the terms of your employment agreement regarding confidentiality, intellectual property and good faith remain applicable to you.

### Is there any bond to return to the Polytechnic after the leave period?

No. If you wish you may resign at the end of the leave period. Normal notice periods would apply.

### What if I have to leave the Polytechnic before my leave period in the scheme?

Any deductions will be reimbursed to you.

### Am I entitled to apply for Polytechnic grants and assistance to use during the leave period?

Yes. Any application can be considered under the normal terms of reference for the grant or assistance scheme.

### What job do I come back to after the leave period?

The same one you left, allowing for ordinary changes over the leave period.

