Notice of requirement to take annual leave for close down

A close down is when a business chooses to temporarily close down all or part of a business for a particular period, such as Christmas and New Year. It is also called a ‘shut down’. If your award allows it, you can require your employees to take annual leave during a period when your business will be temporarily closed.

Check your award carefully before using this template letter.

Close down or stand down?

A close down and a stand down are used for different reasons and affect certain entitlements differently.

To find out more about when a close down (also called a shut down) might apply, visit our [Direction to take annual leave during a shut down](https://www.fairwork.gov.au/shutdown) page at fairwork.gov.au/shutdown

You can learn more about [when a stand down can be used](https://www.fairwork.gov.au/stand-down) at fairwork.gov.au/stand-down

Need help?

* Complete our short course about having [difficult conversations in the workplace](http://www.fairwork.gov.au/learning) at fairwork.gov.au/learning
* Read our [Consultation and cooperation in the workplace best practice guide](https://www.fairwork.gov.au/bestpracticeguides) at fairwork.gov.au/bestpracticeguides
* Submit an enquiry online through [My account](http://www.fairwork.gov.au/my-account) at fairwork.gov.au/register
* Contact our Infoline on 13 13 94

## Checklist: What employers should consider before directing an employee to take annual leave

**Step 1 – Check your award**

You can only require employees to take annual leave during a close down period if it is allowed under your award.

Check your award carefully to see if it includes this provision, and if there are any other requirements or conditions you must fulfill, such as providing notice.

[Find your award](http://www.fairwork.gov.au/awards) at fairwork.gov.au/awards

**Step 2 – Talk to your employees**

You should meet with your employees to advise them of the close down period and give them the opportunity to ask questions. You should ensure that the employees understand:

* the reason for the close down
* the length of the close down
* that they will receive paid annual leave during the close down (and/or will need to take unpaid annual leave if allowed under your award), and
* that any paid annual leave will be deducted from their accrued entitlements.

**Step 3 – Use this template to create a letter to notify your employees that they need to take annual leave during a close down**

You must provide your employees with at least the required minimum written notice of the requirement to take annual leave during a close down period. Check your award for the minimum notice period that will apply.

This notice should include the dates the close down period will start and finish, and the reason for the close down.

* **IMPORTANT**

This template has been colour coded to assist you to complete it accurately. You simply need to replace the **red < > writing** with what applies to your employee and situation.

Explanatory information is shown in **purple writing** to assist you and **should be deleted once you have finished the letter**.

**Step 4 – Provide the letter to the employee and keep a copy for your records**

Provide the letter to the employee, ensuring they receive it for at least the required minimum notice period before the start of the close down period. You should also keep a copy of the letter for your records.

TEMPLATE LETTER – Notice of requirement to take annual leave for purpose of close down

<Print on your business letterhead>

<Date>

**Private and confidential**

<Insert employee’s full name>  
<Insert employee’s residential address>

**Notice of requirement to take annual leave for purpose of close down**

Dear <insert name>

In accordance with clause <insert relevant clause number> of the <insert award title> (the Award), I am writing to inform you that <insert the business/company name> requires you to take annual leave due to a close down of operations from <insert commencement date> to <insert end date>, due to <reason for close down, for example refurbishment/closing for an extended period over Christmas etc>. This period of leave will be deducted from your accrued entitlement.

[Explanatory information – please delete once you have finished the letter]

You must provide employees with notice of a requirement to take annual leave due to a close down. Check your award for the minimum notice period that applies to your situation. Make sure you provide this letter to your employees at least the required minimum notice period before the close down commences. If your award allows you to direct employees to take unpaid leave (for example, if they do not have enough paid leave accrued to cover the close down period), you will also need to provide details of any periods of unpaid leave.

<Insert the business/company name> is required to provide you with at least <insert notice period amount> notice of a requirement to take annual leave under clause <insert relevant clause number of the applicable award> of the above Award. Please consider this letter as your <insert period of notice> notice commencing on the date of this letter <date of the letter provided to the employee>.

Your base rate of pay for your ordinary hours of work will continue to be paid to you throughout the leave period. You <will also/will not> be entitled to annual leave loading.

[Explanatory information – please delete once you have finished the letter]

Check your award to find out if you need to pay annual leave loading or other penalty rates during the period of annual leave.

Should you have any questions in relation to this letter, please contact me on <insert phone number>.

For up to date information about your workplace entitlements and obligations, including information about requirements to take annual leave for close down, visit the Fair Work Ombudsman [Direction to take annual leave during a shut down](https://www.fairwork.gov.au/leave/annual-leave/directing-an-employee-to-take-annual-leave/direction-to-take-annual-leave-during-a-shut-down) at fairwork.gov.au/leave/annual-leave/directing-an-employee-to-take-annual-leave

[Explanatory information – please delete once you have finished the letter]

We’ve included a couple of additional tips below to help you improve communication to your employees. You may wish to make the letter more personal by:

* Hand signing or adding a digital handwritten signature to the letter
* Sending the letter from a person that the employee recognises and is credible (rather than from an individual the employee may not know).

Yours sincerely,

<Insert name>

<Insert position>

PLEASE KEEP A COPY OF THIS LETTER FOR YOUR RECORDS