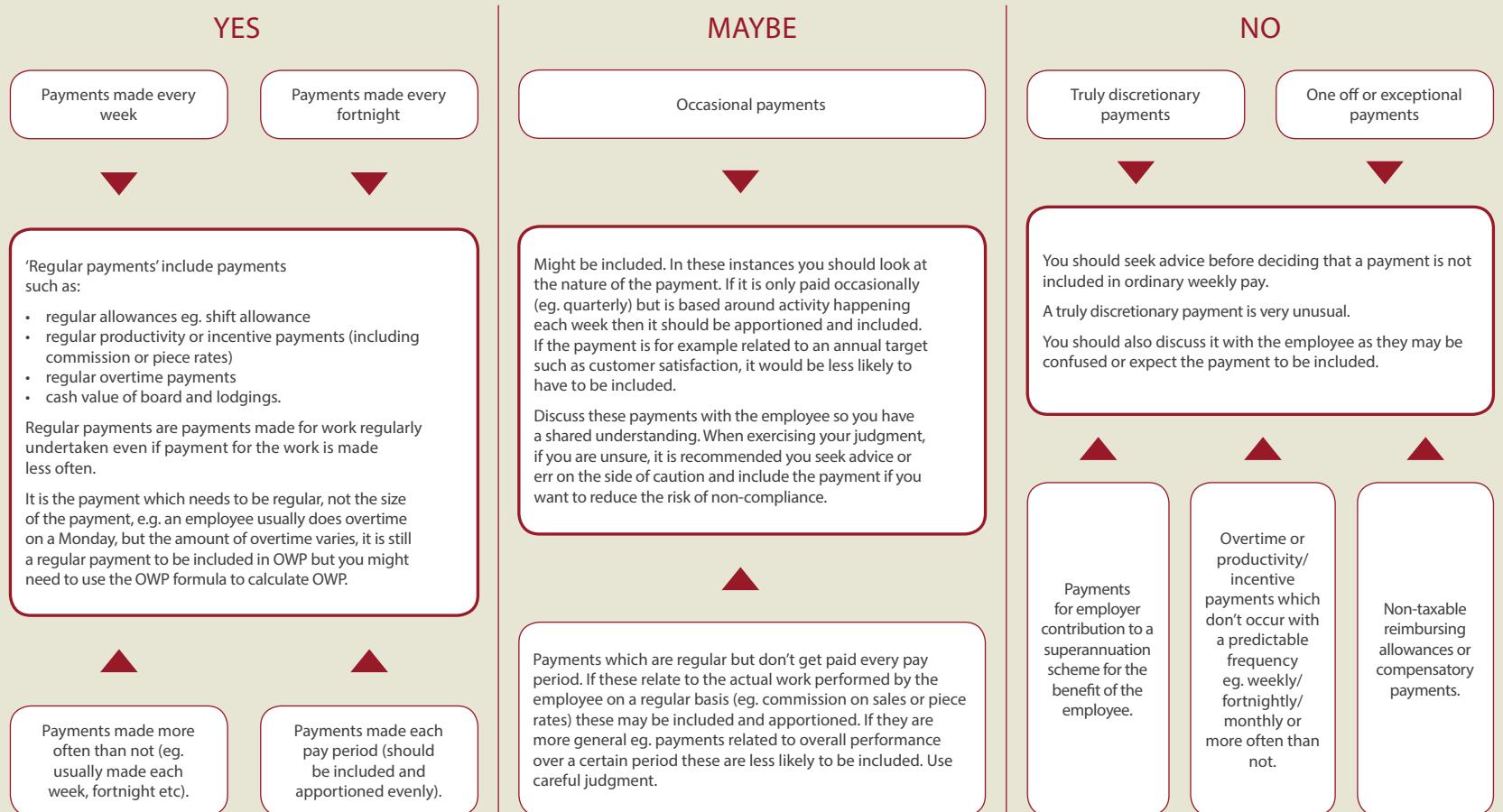




What is a regular payment for Ordinary Weekly Pay (OWP)?

PRINCIPLES FOR EMPLOYERS TO USE

- Ordinary weekly pay (OWP) is the amount of pay that the employee gets under their employment agreement for an ordinary working week. It includes payments for overtime and productivity or incentive-based payments if those payments are a regular part of the employee's pay. It includes the cash value of any board or lodgings provided by the employer for the employee. If you are unsure whether a regular payment should be included, ask yourself if the payment usually forms part of the employee's pay.
- For some payments, working out what is regular is a judgment call. If you are unsure you should seek advice, or to reduce your risk err on the side of caution and include it.
- Have a discussion in good faith with your employee about what you have included and why you have included some payments and not others especially if you think there might be disagreement or confusion.
- If you can't work out ordinary weekly pay - use the OWP formula - go back to the last pay period before the holiday is taken and then go back 4 weeks (or length of pay period) from there, work out gross earnings (minus anything not in OWP) and divide by 4. You might use the OWP formula if there is a payment made regularly but the amount of the payment varies.
- Remember: it is how regular the type of payment is that is important, not how often the payment is made or whether the amount of the payment is the same or similar each time the payment is made.



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