Leave, Public Holidays & Summer Planning - What Employers Need to Know

As summer approaches and another challenging year draws to a close, many employers are looking forward to a well-earned break. For most businesses, the December-January period brings both opportunity and pressure - balancing work demands with staff taking annual leave, managing public holidays, and maintaining morale as people wind down.

Even when things are running smoothly, the summer period can test a workplace's organisation and communication. For those already stretched by economic uncertainty, getting this right is essential.

A Season of Change - and an Upcoming Law Reform

The Government has confirmed plans to replace the Holidays Act 2003 with a new Employment Leave Act, expected to be introduced to Parliament in early 2026. The new law aims to simplify leave calculations - with hours-based accrual, clearer rules for part-timers and casuals, and more consistent entitlements.

For now, the existing Act remains in place, and employers must continue to apply its rules carefully. The announcement, however, is a timely reminder to review how your organisation manages leave and holiday planning ahead of the busiest time of year.

Getting Summer Leave Right

1. Plan Early and Communicate Clearly

Encourage managers to confirm staff leave dates as soon as possible. Late requests can cause stress and confusion, especially in smaller teams.

- Remind staff of the workplace’s close-down period, if there is one.
- Confirm expectations for those required to work through the holidays.
- Let everyone know when the business will reopen.

Early communication allows you to balance fairness with operational needs - a key principle of acting in good faith under the Employment Relations Act 2000.

2. Know Your Public Holidays

The Christmas-New Year period includes Christmas Day, Boxing Day, New Year’s Day, and 2 January, followed by Waitangi Day and Anniversary Days in some regions.

Although most businesses close on Christmas Day, many reopen for Boxing Day sales or the busy New Year retail period. Others have staff working to complete business-critical tasks over this period.

Employers must correctly identify which public holidays fall on a working day for each employee. In general:

- If a staff member normally works that day and the business closes, they’re entitled to paid leave.
- If they work on a public holiday, they’re entitled to time-and-a-half for the hours worked, and, if it’s an otherwise working day for them, an alternative holiday.
- Where there’s uncertainty - such as part-time or rostered staff - use a fair and consistent approach, supported by records of typical work patterns.

3. Handle Closedowns Properly

Under the Holidays Act, an employer can require a closedown once a year if it covers the entire business or a relevant part of it. Staff must receive at least 14 days’ notice, and those who haven’t yet qualified for annual leave can be given leave in advance or paid out 8 % of earnings to date.

Ensure that any closedown decisions are documented and communicated in writing. Transparency helps avoid disputes about entitlements or expectations during the break.

4. Stay on the Right Side of Payroll - Without Getting Lost in It

Payroll systems often automate public-holiday calculations, but they're only as accurate as the data entered. It's worth doing a quick high-level check that:

- each employee's work pattern and pay rate information is current
- public holidays have been entered for the correct region (especially for Anniversary Days)
- alternative holidays are recorded and tracked – 12 months after eligibility to an alternative holiday, the employee may request that it be paid out

You don't need to become a payroll expert, but you do need to ensure your processes are compliant and transparent. If you use an outsourced payroll provider, confirm they're across the latest law changes and/or MBIE guidance.

5. Balance Leave with Wellbeing and Productivity

This has been another tough year - and fatigue is high across most industries. Supporting your team's wellbeing doesn't have to mean elaborate programmes. Small steps matter:

- Encourage people to fully disconnect during leave.
- Set clear boundaries for contacting staff who are away.
- Plan workloads realistically for December and the first week back in January.

A well-rested team is more productive and positive - a simple but powerful return on investment.

Looking Ahead — Prepare Now for 2026

Even if your workplace has coped well with leave management in the past, now is a good time to review your policies and compliance with current legislation. The upcoming Employment Leave Act will likely require updates to employment agreements and systems.

Early preparation means you are less likely to be scrambling when legislative changes take effect next year.

Final Thoughts

The summer period is meant to be a time to recharge, but for many businesses it's also a test of planning, fairness, and communication. Taking a proactive approach now - confirming leave, clarifying expectations, and supporting wellbeing - helps create a smooth end to the year and a stronger start to 2026.

Need help reviewing your leave policies or planning for the new Employment Leave Act?

Marie Tovio Consulting can help you simplify compliance and improve communication ahead of the busy holiday season.

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