Collision Repair Association
CRA
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CRA BULLETIN

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Signed: ____________________ Dated: __________________

CLOSEDOWN PERIODS

What Is A Closedown?

A Closedown Period means ‘a period during which the Employer customarily closes the Employer's operations or discontinues the work of one or more Employees and requires his or her Employees to take all or some of their annual holidays’. Closedown Periods most commonly occur over the Christmas/New Year period for NZ businesses.

The Rules

Employers must give at least 14 days' notice of a Closedown and the requirement to take annual holidays or discontinue work. The Employer can require Employees to take annual holidays during a Closedown whether or not they agree to do so. The Law does not specify a maximum Closedown Length; that is up to the Employer. If a Public Holiday falls during a Closedown Period then the day, if its observance falls on an otherwise work day, is paid for and treated as a Public Holiday and not as part of any Annual Holiday.

Businesses can only impose one Closedown Period per Employee in each year. However you can have different closedowns for different parts of the business, such as the factory and the office. Employers are free to agree with Employees on any other times when they might take holidays or might discontinue work, or might take unpaid leave.

Advantages for Employers Operating a Closedown Period

By choosing to operate a Closedown Period, Employers ensure that Employees use a portion of their annual holidays at a convenient time for the Employer. There are many benefits:

- less impact on productivity than if Employees with key skill sets took holidays during busy periods;
- reduction in labour cost by not having to temporarily back fill for Employees who are on holiday;
- reduction in plant operating costs (e.g. electricity);
- maintenance able to be scheduled.

Employers can also book their own holidays during the Closedown with less need for management cover.