Four for Five

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1 Introduction

1.1 Purpose

To provide an option where Ara Institute of Canterbury (Ara) colleagues can work for four years and have a fifth year without employment responsibilities.

1.2 Scope and Application

a The scheme is available to all full-time permanent/tenured employees.

b Applications from proportional employees will be considered, depending on Ara operational requirements.

1.3 Formal Delegations

Refer *CPP120b People and Culture Delegations Schedule*.

1.4 Definitions

a **Accumulated service:** The period of time recognised as service from commencement of employment.

b **Employment Responsibilities:** All tasks, outputs, activities, and expectations associated with the colleague's contract of employment with Ara.

c **Employee**: Staff member, kaimahi, colleague employed by Ara. For the purposes of this policy, only permanent employee are covered by this scheme.

Related Ara Procedures • Academic Staff Employment Agreements	**Related Ara Policies** • CPP214 People & Culture Management
Related Legislation (and amendments) or Other Documentation • Employment Relations Act 2000 • Education and Training Act 2020 • Public Services Act 2020 • TEU Collective Employment Agreement	**Good Practice Guidelines** (indicate if attached to policy or where they can be found) • Nil

All policies on the Ara Waituhi are the current version. Please check date of this hard copy before proceeding.

References

- Nil

Notes

This scheme was introduced from 2002 and initially included with the People and Culture Management policy (as an attachment). The 2010 version was substantially changed.

Management and colleagues may seek further advice regarding the Four for Five Scheme from:
their immediate supervisor
the designated People and Culture Business Partner for their area
People and Culture
Waituhi.

2 Principles

2.1 Ara is committed to flexible working arrangements for its colleagues, within the boundaries of Ara priorities.

2.2 Ara is a learning organisation and creates opportunities for colleagues to explore a wide range of options.

2.3 The use/application of the fifth year of this option is entirely at the Employee's discretion. The colleague is effectively on approved unpaid leave.

3 Associated procedures for Ara Corporate Policy on: Four for Five

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3.1 The Scheme

a An Employee who wishes to commence the Four for Five scheme may do so by engaging their responsible manager. The manager will provide guidance in preparing an application (see 3.2).

b Employees may enter this scheme unless there are unique and reasonable operational requirements of their role which prevent this arrangement. In these limited circumstances, the responsible manager will define these operational requirements and provide an estimate of how long they may exist.

c An Employee who is on the Four for Five scheme works the first four years as stipulated by their terms of employment.

d During the first four years:

i any period of Leave Without Pay (LWOP) does not count towards entitlement.

ii any period of Academic Study Leave (ASL) does not count towards entitlement.

e For the duration of the fifth year, the colleague is on leave classified as "leave without pay".

f Service is considered continuous, except that Year Five (the year in which the employee is on leave) is not included in any calculation of accumulated service or calculations for

the purposes of any relevant leave balances.

g Noting 3.1(l), the fifth year can be used in any way the employee wants. Ara has no claim on their time. Current ACC law does not cover a colleague in the event of an accident while on leave of this nature.

h An Employee who engages in a period of Academic Study Leave may only take leave allowed for by the Four for Five Scheme no less than two calendar years after the conclusion of the Academic Study Leave period.

i An Employee who completes a period of leave under the Four for Five scheme may not entry into a period of Academic Study Leave for one calendar year following the conclusion of the period of leave under this policy.

j The Four for Five scheme may only be entered into by employees who are Level 300 or below.

k The current income protection scheme will not apply during this period of leave.

l Although on approved leave in the fifth year, colleagues' common law obligations as an employee of Ara means that they must not do anything that actively seeks to undermine Ara interests or bring the organisation into disrepute.

m To avoid doubt, the fifth year taken through this scheme must be taken as a full year of leave. The employee will not be permitted to return to their regular employment before the expiry of the year unless express agreement is reached between the employee and their managing director under extraordinary circumstances.

3.2 Application Process

a Applications to take up the Four for Five employment option will be made in writing to the Director of the Employees Division in the year prior to Year One of the scheme. The Director will consider, comment on, and forward the application with a recommendation to the Director, People and Culture.

b Acceptance of an application will not be unreasonably withheld. However, issues such as the effect on the work team and/or institution (e.g., number of colleagues on leave at the same time, likely ability to recruit/redeploy others to cover in the fifth year) will be taken into account.

c The colleague is required to confirm in writing no less than four months before the end of their fourth year in the scheme that they will be taking leave for the fifth year.

d It is strongly recommended that colleagues applying to enter the Four for Five option seek independent advice, including financial advice, to determine whether it is suitable for them.

3.3 Financial Implications

a The Four for Five scheme allows for Ara employees to take a year on leave on which Ara has no entitlement to their time. During this period, the Employee will be classified as having the status of 'leave without pay'. As such, this scheme may have financial implications on the employee.

b It is the responsibility of the Employee to prepare for these implications in any way they see fit. Ara will maintain no obligation for any financial hardship or other implications on the Employee arising in the duration of the fifth year of this scheme.

c During the scheme, the Employee:

i Will receive 100% of their salary for the first four years of the scheme.

ii Will be granted leave without pay in the fifth year of the scheme.

iii Will be required to sign a document stating that they understand and will prepare for any financial implications that may arise as a result of this scheme.

d Where an employee contributes to Government Superannuation Fund (GSF) the full (100%) GSF contributions will be made in Years 1 – 4, but in the fifth year, Ara will not pay GSF contributions, as the colleague is on leave without pay.

e Kiwisaver employer contributions are based on the colleague's gross salary therefore those contributions will not be paid in the fifth year. Employees need to make arrangements for payment of their employee contribution.

There may be personal tax issues that arise out of the circumstances of the fifth year on unpaid leave which will be the responsibility of the individual and should be discussed when seeking independent advice.

3.4 Withdrawal from the Scheme

a With three months' notice, any colleague may elect to withdraw from the Four for Five employment option during any year of the scheme, except during the last six months of the fourth year of the scheme, per (3.2)(c).

b The Employee must notify Ara of their decision to withdraw in writing to the Executive Director of the Employees Division. The Employee may deliver this notice to their responsible manager, who will relay this information to the relevant Executive Director.

c The relevant Executive Director will acknowledge the Employees withdrawal from the programme as soon as reasonably practicable.

d Once the Employee is in the Four for Five scheme, Ara will presume they are in the scheme until notified otherwise in writing. This will continue for the full five years of the programme, or until such a date they cease being an employee of Ara, depending on which occurs sooner.

e The Employee leaves the scheme at the conclusion of the fifth year as stipulated in the terms of the initial application.

3.5 Job Security and Returning from the Fifth Year

a The Employee is entitled to the same position held prior to the year on leave, allowing for ordinary changes that occur over the period of a year.

b The full salary (100%) shall be at the same rate as when the Employee went on leave, plus any inflation and/or collective employment agreement adjustments that were made in the year of absence.

c Although Ara has an obligation to keep the Employee's job open for them to return to after the fifth year, in the event of any situation arising which may result in a significant job change or otherwise affect employment, employees who are on leave during the fifth year are not exempt from consideration. Notification of any such situation will be in accordance with the required consultation process.

d Any request for early return to work would be considered solely at the discretion of Ara.

3.6 Stand-down period for applications

a. An Employee who takes part in the Four for Five scheme will not be permitted to re-enter the scheme for four calendar years following their return to work at the conclusion of the fifth year of the scheme.

b. The above limitation applies to any Employee who has completed the scheme at any time.

c. If an Employee is currently engaged in the scheme at the time of the enactment of this provision (Policy revision as at 11/03/2025) despite having previously completed the Four for Five scheme within the past four calendar years, they may continue in their current process unaffected by changes. However, any subsequent applications will be subject to the limitation in (3.6)(a).

d. An Employee who elects to withdraw from the scheme within the stipulated period in (3.2)(c) will not be limited by the terms of (3.6)(a) in making subsequent applications.