



www.theengine.biz | admin@theengine.biz | (09) 869-3990

Managing sick leave so you don't get caught out if the law changes

There is currently a Bill before the Select Committee to increase the amount of employer funded sick leave to 10 days. This is NOT law as yet, though the vast majority of people that I have spoken to believe that it will pass into legislation. So, what can you do to prepare for this change?

Sick leave is a significant cost to business, not only is 5 days sick leave 2% of your annual payroll cost, there is also the disruption to the team of unplanned absences.

Categories of sick leave and how to manage them

Many people don't use all their sick leave every year, and generally those are not people you are concerned about, after all, we all get sick from time to time. However, there are several groups of people who you do need to manage more carefully:

1. Long-term genuine sick leave
2. Regular genuine sick leave
3. Sick leave abusers

Long-term genuine sick leave

Some absences (e.g. broken leg) have a fairly predictable timeframe and therefore can be planned for relatively easily, e.g. get a temp worker in. However, issues such as mental health, cancer etc have a far less predictable timeframe. And, though you may be exceedingly sympathetic to the individual's situation, you, as a business owner, have a duty of care to provide a safe working environment to all staff. And, if you have one team member down, the others will be picking up the slack, and potentially getting overworked or stressed trying to keep up.

You also need to consider what is best for the individual involved, being off on long-term sick, and feeling that you are letting the team down by not getting back to work can create huge stresses on the individual. Further, if the absence is caused by something which is not covered by ACC, and they are not receiving money from you because they have exhausted their sick leave, they may be under significant financial pressure, and not entitled to benefit because they are still employed.

As such, proactive management of these people is crucial for everyone. In simple form the steps are:

1. Speak to them about the situation.
2. Seek their consent for release of medical information.
3. Get information from their doctor about their situation and prognosis, and then make decisions based on that information. This may include medical retirement.

NB you do have to make reasonable adjustments to a job, and you do have to be reasonable in your expectations about how long you keep the role open. But you DON'T have to keep the job open forever, and you DON'T have to create an entirely new job.

Regular Genuine sick leave

This is the group who are either regularly sick themselves, or are caring for dependants who are regularly sick. Though the absence may be 100% genuine, it does create a huge pressure on the rest of the team if you have someone who you can't rely on being at work.

The key, is communication. Talk to them about your concerns and the impact on the team, and work together towards solutions. Some points of question could be:

1. Is there an underlying health condition of which they haven't told you? If so, deal with this as per long-term genuine sick leave
2. If the time off is to care for dependants, can they make additional arrangements to share the caring responsibility?
3. Are there other arrangements that you can make to address the issues such as moving them to part-time, or moving them to a role that could be done from home, or doesn't necessarily have to be picked up by other team members if they are off sick

Whatever the outcome, do it by agreement, and document it in writing

Sick leave abuse

Skivitis is a sadly common condition, which is also highly contagious... i.e. if they are getting away with it, why should I bother getting out of bed? So, it definitely needs to be nipped in the bud quickly.

Common signs on skivitis are regular single days of absence, especially Fridays and Mondays, or the day after a statutory holiday. Often texting in rather than calling in person, and often having made a miraculous recovery by the time they return to work.

Sick leave is for genuine sick leave, and taking sick leave when you are not sick is theft of a days pay to which they are not entitled. However, I don't recommend that you go straight to disciplinary as it could be that there is an underlying health condition that you are not aware.

Some ways to prevent/cure skivitis are:

1. Introduce and/or enforce a policy which requires people to phone you in person when sick rather than just texting. Lying verbally is a lot more of a deterrent than sending a text message
2. If you have noticed an adverse pattern bring them in for a meeting to discuss their absence and ask if there is any underlying health condition that you need to be aware of. The mere fact that you are monitoring will deter them from the non-genuine sick leave next time.
3. Ask for a medical certificate for absences of less than 3 days. The employer has to pay for this, but you can require a medical certificate for shorter absences.

And if they continue to abuse sick leave, then you may need to move into the disciplinary process.

HR is easy...

You just need the right tools and documentation, [so sign up for HRtoolkit for only \\$349 + GST per annum](#) for all the tools and documentation you need, and access to the expert when you are not sure exactly what to do.

Free Webinar Programme

I will be hosting monthly webinars on a range of topics, and the plan for the next 6 months is:

1. February 25th 10am – Preparing for the minimum wage increase- how to incentivise people when you can't give them all the same amount as minimum wage increase.
2. [March 25th 10am – Managing sick leave – being prepared for the proposed increase in sick leave to 10 days](#)
3. [April 29th 10am – Bonus Schemes – how to ensure they drive the right behaviour](#)
4. [May 27th 10am – Recruitment – how to significantly increase your chances of finding the right person for the job](#)
5. [June 24th 10am – Types of employment engagement – Casuals, Contractors, low-guaranteed hours agreements – what the risks are, and how to ensure you have the right agreement in place](#)
6. [July 29th 10am – Induction – getting the first impression right and ensuring that new employee is up to speed ASAP.](#)

If you would like to know more or require assistance please contact [Lisa Mackay](#)

Resource supplied by The Engine's provider:



HR toolkit

The logo for HR toolkit is displayed in a blue rectangular box. The text 'HR' is in white and 'toolkit' is in yellow. The background of the entire page features a large, faint lightbulb with gears inside it, symbolizing ideas and machinery.