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1.0 Intent

The objective of sick leave is to provide reasonable security of earnings for workers unable to attend work due to genuine illness or injury. The information outlined within these guidelines is provided to ensure that Fonterra adopts a consistent approach to the management of sick leave of all workers across all departments.

These guidelines have been developed by Fonterra in consultation with the NZDWU.

Fonterra and the NZDWU jointly recognise that it is in their interests to keep absenteeism to a minimum and agree to work together to achieve this.

The following guidelines provide essential information to assist Site Attendance Committees (Attendance Committee) in their establishment, governance and joint management of accumulating sick leave and special sick leave. These guidelines set out the minimum requirements expected on sites with regard to monitoring sick leave, reviewing absences and raising issues in respect of such leave.

2.0 Responsibilities

2.1 Introduction

The following descriptions broadly outline the responsibilities and expectations for each of these positions. To ensure that workers' wellness and confidentiality is maintained at all times, the following positions will exercise sensitivity and be mindful of a worker's right to privacy and a fair process.

2.2 Departmental Managers

- To monitor the level of absence due to sickness of workers in their team(s).
- To conduct sick leave review meetings with workers who are close to exhausting their accumulated sick leave and also where the Attendance Committee requests it. The aim of this review is to remind workers of their individual sick leave entitlements and to determine what measures can be taken to effectively manage sick leave.
- To refer an individual worker's sick leave history to the Attendance Committee when that worker has exhausted their accumulated sick leave or when requested by the Attendance Committee.
- To refer an individual worker's application to the Attendance Committee when the worker is applying for Special Sick Leave.
- The departmental manager may also be required to attend the Attendance Committee meeting and/or provide an explanation or guidance to it
- To refer an individual worker's sick leave history to the Attendance Committee for guidance at any time if they suspect the absence is not genuine or another concern exists.
- Managers, supervisors or other designated persons receiving notice or advice of sick leave must ensure that all details are clearly recorded and acted upon appropriately.

2.3 Workers

- To comply with the sick leave provisions in the Collective Agreement.
- To directly inform their department manager or supervisor of intended sick leave as soon as possible (preferably prior to the scheduled start time) and, so far as reasonably practicable, indicate the length of the absence.
- If the worker is unable to make contact with the department manager or supervisor, the worker shall leave a message and should continue to try and make contact. For prolonged absences it is expected that the worker will keep in contact with their department manager from time to time and inform them of the length of absence.

- To supply a medical certificate as proof of sickness or injury:
 - after an absence of 3 or more consecutive calendar days;
 - within 3 consecutive calendar days, if the Company informs the worker as early as possible that the proof is required; and agrees to meet the worker's reasonable expenses in obtaining the proof.
- When submitting an application for Special Sick Leave to the Attendance Committee for payment of Special Sick Leave, supporting documentation, e.g. a medical certificate, must be provided with the application form.

2.4 Attendance Committee Members

- Promote and support the joint management of sick leave and absenteeism between the Company and Union.
- At all times maintain the privacy and confidentiality of all workers.
- Monitor sick leave absences on sites:
 - Generally, and
 - Specifically, where workers have used up, or are close to using up, their entitlement during any sick leave year, and/or
 - As requested by plant managers or supervisors where there is a concern that the leave is not genuine.
- To promote and maintain a consistent approach when reviewing sick leave absence information.
- To collectively make recommendations on the granting of Special Sick Leave in accordance with the relevant CEA.

2.5 Site/Hub/Senior Managers

- The Site/Hub/Senior Manager has the final sign off to approve/not approve payment of Special Sick Leave.
- The Site/Hub/Senior Manager will make his/her decision based on recommendations made by the Attendance Committee.
 - Where the decision contradicts the recommendation of the Attendance Committee the Manager will refer the case back to the Attendance Committee with supporting documentation for reconsideration.
 - Where the Attendance Committee are unable to agree on an outcome the Site/Hub/Senior Manager will make the final sign off decision.

2.6 Occupational Health Nurse

- Provide medical advice to the Attendance Committee, where appropriate.
- Participate in the Attendance Committee, where practicable.
- Maintain the confidentiality of workers' information in accordance with the Professional Code of Conduct for New Zealand Registered Nurses.

3.0 Related Collective Agreement Clauses

3.1 Fonterra Dairy Workers Collective Agreement

- Clause 6.5 - Sick Leave
- Clause 6.5.1 - Accumulating Sick Leave
- Clause 6.5.2 - Special Sick Leave
- Clause 6.5.3 - Attendance Committees

3.2 Other Collective Agreements

On those sites where workers are covered by other collective agreements and where there is a requirement for the Attendance Committee to review sick leave taken by those workers, the relevant clauses in those collective agreements will apply to the Attendance Committee's recommendations for the continuation, review, or otherwise, of paid sick leave. In these circumstances and where practicable, the appropriate site delegate from that Union should be involved in the decision making process. In the case of conflict or contradiction between these guidelines and the relevant CEA, the sick leave provisions in the relevant CEA will apply.

4.0 Guidelines

4.1 Accumulating Sick Leave

The relevant CEA sets out a worker's leave entitlement. Entitlements for permanent workers on the main dairy workers CEA are set out below:

Workers are entitled to ten (10) days per year for each year of service from the first pay period after 1 August each year (accumulating up to a maximum of 30 days) for sickness or injury.

Accumulating sick leave can also be used in the event a worker's partner, or a person who depends on the worker for care, is sick or injured.

For any absence of three (3) or more consecutive days a medical certificate may be required.

If a manager has reasonable grounds to suspect that a worker's sick leave is not genuine, the manager can require the worker to provide a medical certificate for a single day's absence (i.e. where the absence is less than three days). The request to the worker to provide a medical certificate should be made as soon as possible after the suspicion is formed. Under these circumstances all reasonable costs for obtaining the medical certificate will be met by the Company. The Union and the Attendance Committee will be advised that the request is going to be made, accompanied by supporting evidence of the suspicion.

All workers who have two (2) days of Accumulating Sick Leave remaining for the sick leave year will receive a letter from the Attendance Committee alerting them to their level of remaining sick leave entitlement. This may be followed by a meeting with their departmental manager to review their absence.

Any worker who has exhausted their accumulated sick leave entitlement will be notified by the Attendance Committee in writing that they have zero (0) days sick leave entitlement remaining.

Guide to Communication:

- 2 Days Remaining Letter - issued by Attendance Committee to worker
- 0 Days Remaining Letter - issued by Attendance Committee to worker

Those workers who have taken all of their accumulating sick leave in any sick leave year may be required to attend a sick leave review meeting with their manager.

A departmental manager may at any time ask the Attendance Committee to review an individual worker's request for sick leave. Where a manager has concerns over a worker's request, even if it is within their accumulated sick leave entitlement, he/ she may refer the request to the Attendance Committee for guidance.

4.2 Special Sick Leave

If and when a worker is genuinely sick or injured and they have exhausted all of their accumulated sick leave, they may make an application to the Company for special paid sick leave up to a maximum of six months. *Special Sick Leave is not just an extension of Accumulating Sick Leave.* This means that it is intended to be used in special cases where a worker requires time off over and above the negotiated number of sick days in the CEA – it is not awarded as a matter of course, and instead is a **discretion** and should be reserved only for **serious and special cases**.

Such an application shall be given due consideration by the Attendance Committee.

Special Sick Leave should only be considered for a worker who is diagnosed by a Doctor as having a genuine need to be absent from work due to illness or injury, surgery or for a recuperation period. Special Sick Leave is only available where it is the worker's own personal injury or illness. It is not to be used in the case of a dependant's sickness/ injury.

It does not apply for an absence covered by ACC.

In every instance when a worker applies for Special Sick Leave, a medical certificate is required. The medical certificate must state the reason for the absence and the period of intended absence including the likely date of return to work.

Special Sick Leave is to be recorded as unpaid sick leave until a final decision has been made. If the final decision is to not grant Special Sick Leave, PAL may be used in place of unpaid sick leave at the worker's request.

Applications for Special Sick Leave will be considered on a case-by-case basis. There is no checklist to determine whether someone should get Special Sick Leave but a number of things should be taken into account by the Attendance Committee, including:

- The worker's length of service and record of using Accumulating Sick Leave. If a worker did not use their full sick leave entitlement in a previous year, that does not mean that Special Sick Leave should be automatically granted. Special Sick Leave is always discretionary, not an entitlement.
- Whether, because of a serious illness or injury, the worker requires time off work because they are unable to perform normal work or rehabilitative duties. If there are concerns about this, a second medical opinion could be sought.
- Other annual leave and accrued leave entitlements available to the worker. Note a worker does not need to have exhausted their annual leave entitlement to be granted Special Sick Leave.
- Any prior support Fonterra has provided the worker to date.
- Whether the length of the absence is reasonable.
- Whether the worker's manager supports the granting of Special Sick Leave and the reasons why/ why not. (The manager may attend the meeting of the Attendance Committee or provide their reasons in writing).

5.0 Attendance Committee

5.1 Site Attendance Committee

Attendance Committees comprise of senior representation such that both parties are properly represented. This could comprise of the Site Manager and/ or nominees such as HR, the health nurse (where available), and the Site Delegate and/or union nominees. The appropriate size of the Committee may vary depending on the size of the site, the appropriate size to be agreed by the Site Manager and Site Delegate.

The primary focus of the Attendance Committee is to:

- Monitor the use of accumulated sick leave, review absences and raise issues with managers who have workers who are close to exhausting, or have exhausted, their Accumulated Sick

Leave. (It is recommended that Attendance Committees generate a 126 report, which is available in Qtar, on a fortnightly basis to review absences).

- Assess and recommend payment or otherwise of Special Sick Leave as appropriate.
- Review the absence of any worker within the accumulating sick leave entitlement, as requested by a manager.
- Maintain an overview of sick leave usage across the site and identify trends of sick leave usage, and liaise with any appropriate health, safety and wellbeing bodies to address issues causing or contributing to sick leave usage.

An Attendance Committee will function at each site to review absences and in most circumstances shall meet at least fortnightly.

5.2 General

5.2.1 Appeal/Review Process

If a worker disagrees with the Attendance Committee's recommendation and subsequent decision by the Site/Hub/Senior Manager, they may apply to the Site/Hub/Senior Manager for a review of this decision. The worker shall be advised in writing of the decision following the review.

5.2.2 Sick While on Other Leave

Paid sick leave shall not apply in respect to any public or other holiday for which the worker is entitled to full pay or for any absence, reimbursed by the Accident Compensation Corporation, earnings related entitlement pursuant to the Accident Compensation Act 2001 (or other relevant organisation, e.g. Social Welfare).

Paid sick leave shall not apply to any worker who is receiving compensation under the Injury Prevention, Rehabilitation, and Compensation Act 2001.

If a worker gets sick or injured while on paid annual leave, the worker can apply to their manager to have their leave changed to sick leave. If the application is declined, an appeal can be submitted to the Attendance Committee for recommendation to the Site/Hub/Senior Manager to have the decision reviewed.

5.2.3 Accident at Home

When a worker has an accident at home, the first week is classified as Paid Sick Leave and is deducted from the worker's accumulated sick leave entitlement.

If a worker has used up their accumulated sick leave entitlement and has an accident at home, then they may apply for Special Sick Leave.

5.2.4 Misuse of Sick Leave

When a manager has reasonable grounds to believe that a worker is taking either accumulating or special sick leave that is not due to genuine illness or injury, the manager will initiate a meeting with the worker (and their representative) to discuss the reasons for absenteeism. The manager will advise the Attendance Committee.

If, following this meeting, the misuse of sick leave is substantiated, an outcome may include action taken under the disciplinary procedures as per the relevant Collective Agreement.

5.3 Payroll Clarifications

5.3.1 PSL (Paid Sick Leave) used for absences when a worker has "Available Hours" of Accumulating Sick Leave to be used. Daily PSL is capped at 8 hours.

5.3.2 PSX Any Sick Leave above 8 hours in a day is automatically changed to PSX which does not reduce a worker's entitlement.

5.3.3 SSL (Special Sick Leave) can be used with Site Attendance Committee approval up to a date specified, once the Available Hours for the season have been exhausted. This does not reduce the sick leave entitlement.

5.3.4 USL (Unpaid Sick Leave) used for sick leave absences where a worker has exhausted their accumulating sick leave or where Special Sick Leave is not approved or when a decision to pay SSL is still pending.

6.0 Appendices

Appendix 1 – Sick Leave Application Flow Chart



Worker requires sick leave due to illness or injury, or to care for partner or dependent person

Worker notifies supervisor at the earliest opportunity

Supervisor completes notification form. Medical Certificate may be requested and attached if:

- Worker has 3 or more consecutive calendar days off
- Within 3 consecutive calendar days, if the Company requires
- Worker has used or will exhaust their accumulating sick leave

Attendance Committee to issue letter advising worker of 2 sick days Accumulating Sick Leave remaining

Attendance Committee to issue letter advising worker of 0 days Accumulating Sick Leave remaining

Accumulating Sick Leave owing, PSL

Accumulating Sick Leave exhausted, USL

NOTE: Once Accumulating Sick Leave is exhausted, all further sick leave absences will be entered into QTAR as Unpaid Sick Leave, USL

Worker to submit special sick leave application form if accumulating sick leave is exhausted and payment is to be made. Application must be supported by Medical Certificate

Manager receives completed special sick leave application from worker. Manager to submit form and Medical documentation to attendance committee.



Attendance Committee to review and advise Site/Hub/Senior Manager of recommendation

Manager agrees with Attendance Committee

Manager disagrees with Attendance Committee
Refers case back to Committee with supporting documentation for review

Not Approved - Worker advised in writing, has the option of seeking a review of the decision

Approved - QTAR corrected/ Correcting pay done. Worker advised of successful application

Options: When special sick leave is not approved:

- Unpaid sick leave
- Annual leave (at the worker's request)
- PNW under special circumstances with Management approval

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7.1 Director of People and Property Solutions.

8.0 Content Owner

8.1 GM Employment Relations.

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Issue	Date	Approved By	Action	Standard Owner
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