



What is in Relevant Daily Pay (RDP)?

Included: Principles

- RDP is the daily pay the employee would have been paid if they had worked on the day.
 - RDP includes payments that employees doesn't receive for every day they work, but would have received if they had worked on that particular day.
 - Employers and employees can agree on a special rate of RDP in the employment agreement, but it must be at least as much as RDP.
 - It may not be possible to calculate RDP until after the day the holiday or leave is taken (unless the employee is on a salary with set hours and no overtime).
- Unpredictable events could lead to extra overtime or the pay changing.
- In some situations it may be clear that a payment must be included in RDP but an employer is unsure of the size of the payment, eg an employee would definitely have worked overtime, but it isn't clear how much. In this situation, the employer could choose to pay RDP with the maximum amount of overtime the employee could have worked, or they could choose to use average daily pay (ADP).
 - If it is not possible or practicable to work out RDP for the employee, then ADP should be used instead.

- Regular daily allowances eg oncall allowance eg \$100 a fortnight (if it is a daily allowance).
- Payments for piece work if there is a regular amount the employee would usually receive.
- Wages/salary payment for the hours that would have been worked.
- Overtime payments if the employee would have worked paid overtime on the day.
- The cash value of board and lodgings if these are provided by the employer.
- Payments for commission and incentive payments if there is a regular amount that the employee would normally receive if they had worked on that day.

Might be included if the amount is clear, otherwise use ADP: Principles

- To be included in RDP, it must be clear that the employee would have got the extra payment if they had worked (eg everyone worked overtime because there was a surprise order to be filled).
- If an employer can't work out if the employee would have been paid the payment if they had worked on the day, or if the amount of a payment is not clear because it varies, then ADP may be used.
- Examples of payments which are included in RDP if the amount is clear: taxable allowances, payments for unpredictable overtime, payments for commission and incentive payments, payments for piecework. **If the size of the payment can't be worked out, then it may be appropriate to use ADP.**

Not included: Principles

- Payments that would not have been made to the employee if they had worked on the day they were on holiday or leave.
- Payments such as reimbursements of costs that would have been incurred by the employee if they had worked, but were not because they didn't work.
- Enduring allowances eg an allowance which is paid in full regularly eg fortnightly and listed separately in the employee's pay eg taxable vehicle allowance if it is paid in this way.

- Non-taxable reimbursing allowances.
- Payment of employer contribution into superannuation fund for the employee's benefit.
- Overtime worked by other employees to cover for the employee taking leave.

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