

AVERAGE WEEKLY EARNINGS

Average Weekly Earnings means 1/52 of the employees' gross earnings.

Gross Earnings means all payments that the employer is required to pay to the employee under the employee's employment agreement, including, for example:

- Salary or wages.
- Allowances.
- Payment for an annual holiday, a public holiday, an alternative holiday, sick leave, or bereavement leave taken by the employee during the period.
- Productivity or incentive-based payments (including commission).
- Payments for overtime.
- The cash value of any board or lodgings provided by the employer.
- First week compensation payable by the employer under section 97 of the Accident Compensation Act 2001 or former Act.

It excludes any payments that the employer is not bound, by the terms of the employee's employment agreement, to pay the employee, for example:

- Any discretionary payments (but see note below).
- Any weekly compensation payable under the Accident Compensation Act 2001.
- Any payment for absence from work while the employee is on volunteers leave within the meaning of the Volunteers Employment Protection Act 1973.
- Any payment to reimburse the employee for any actual costs incurred by the employee related to his or her employment.
- Any payment of a reasonably assessed amount to reimburse the employee for any costs incurred by the employee related to his or her employment.
- Any payment of any employer contribution to a superannuation scheme for the benefit of the employee.
- Any payment for annual holidays cashed out.

Note: A payment that the employer is bound by the employee's employment agreement to pay to the employee, even though the amount to be paid is not specified in that employment agreement and the employer may determine the amount to be paid; or the employer is required under that employment agreement to make the payment only if certain conditions are met, is NOT a discretionary payment.

