



Purchase Annual Leave Scheme

Introduction

Extra holiday may appeal for all sorts of reasons – the chance to spend more time with family, for that special trip or event, or time to complete some special project.

All employees receive paid annual leave according to their contract of employment. If they work part-time, leave is on a pro-rata basis calculated in hours. Legally an employee must have 20 days annual leave (excluding bank holidays) per full year (pro rata for part time employees) and they cannot be paid in lieu for these days.

The scheme arrangements are totally discretionary – employees do not have a contractual right to buy.

The additional annual leave is unpaid, the cost of which will be deducted from an employee's salary over their annual leave year. This will ensure that the employee continues to receive a monthly salary, at a reduced rate to reflect the unpaid leave. Employment would not be broken during the unpaid leave period(s) and continuous service would be maintained.

Approval

Under this scheme an employee can submit a request to their Service Lead to purchase up to one week of their contracted hours on line via Agresso (the Council's self service system). This is subject to their Service Leads approval, as there will be budget and staffing implications to be considered for each Service. There is no guarantee that the amount of leave an employee wants to buy will be agreed. The Service Leads decision is final and there is no right of appeal.

Scope/Eligibility

This scheme applies to all Council employees, (with the exception of schools based employees) whether they are part time, part year, temporary or permanent irrespective of length of service.

This scheme is not available for employees who work term time only or

if sacrificing an amount of salary would result in the remaining salary falling below the National Minimum Wage/National Living Wage (NMW/NLW).

Conditions

Applications will be considered against the following criteria;

1. Impact on service provision
2. No detriment to work objectives and meeting key targets
3. Cover arrangements, including cost – should be cost neutral (no agency/overtime costs)
4. Impact on colleagues
5. Unless there are exceptional circumstances (e.g. where an employee's health may benefit from taking additional leave), employees are not able to buy extra leave if their sickness absence levels have triggered formal action under the Council's Managing Absence Policy and Procedure

The leave year runs from 1 April to 31 March. The maximum hours an employee can buy in a leave year is the total of their contracted hours per week (37 hours/5 days if full time).

Applications for buying leave will only arise once a year and must be made **by tbc** in order that arrangements can be put in place with payroll. The application form to purchase additional leave on Agresso will be open from 1 January to 28 February.

Once the application has been approved employees cannot change their mind and are committed to the change for the leave year.

Adjustments to pay

Purchasing additional leave is only available through a deduction from salary. This means that if an employee chooses to buy additional leave, an amount of their salary equal to the value of the additional days of leave they buy (spread over 12 months) will be deducted.

Once a purchase has been agreed, a deduction from the gross salary (pay before tax and national insurance) will be made. The additional leave is paid for through a reduction in gross salary equivalent to the salary for the number of hours leave being taken (see the calculation below).

The deductions for annual leave will commence in April.

As deductions will be taken from the individual's gross pay, tax and National Insurance will be slightly reduced, as they will be calculated based on the reduced salary. However pension contributions will be deducted as if the

normal salary has been paid which will ensure pension entitlements are unaffected.

The calculation will be based on the employee's hourly rate at the time their request is approved.

The calculation for buying holiday will be arrived at by:

Basic annual salary ÷ 52.1429 = contracted hours per week

All salary deductions must be completed within the current leave year.

If an employee changes their hours of work, adjustment may be required to the payment, dependent on leave that has been taken or not.

If the employee leaves the Council before the 12 monthly deductions have been made, they will be required to take their remaining leave and pay the remaining deduction in full. Any outstanding payments will be deducted from their final salary. If there are insufficient funds in their final salary, they would make a payment to the Council in respect of any outstanding deductions.

FREQUENTLY ASKED QUESTIONS

Does it impact on my pension?

No. Pension contributions are calculated on your actual annual salary.

I pay for car parking, can I ask for a reduction for the days I take the additional day's annual leave?

No. Currently car parking charges apply during your normal annual leave entitlement, these charges will remain during the additional annual leave period.

I am in receipt of state benefits, will purchasing annual leave have an impact on these?

Yes, as the purchase of annual leave is operated via a salary sacrifice scheme this will reduce your annual pay and therefore have an impact on your entitlement to statutory payments such as Sick/Maternity pay as well as other state benefits that you might claim.

Will I receive the additional annual leave each year?

The arrangement is a temporary agreement during the specified holiday year and will not roll over into subsequent years. If you wish to purchase additional leave in subsequent holiday years you will need to apply during the annual leave purchase window.

What if I cannot take the annual leave due to sickness absence?

If an employee is absent from work due to illness when the bought leave is due to be taken then, providing they meet the requirements of the sickness procedures, they can reclaim the leave. An alternative date to take the leave should be investigated.

What if I don't use the days I have purchased?

If you fail to take the purchased leave before the end of the relevant leave year the leave will be lost, with no reimbursement. There is no option to carry over leave. Managers and employees must ensure the additional leave can be accommodated prior to the manager's approval.

What happens to my annual leave if I leave the Council?

If you leave the Council before the 12 monthly deductions have been made, you will be required to take your remaining leave and pay the remaining deduction in full. Any outstanding payments will be deducted from your final salary. If there are insufficient funds in your final salary, you would make a payment to the Council in respect of any outstanding deductions.

Can I buy additional leave if I will be on unpaid leave or in receipt of a statutory payment?

No.

I have just started working for the council, can I apply?

You can only choose to buy additional annual leave when the application period opens. This is in February in preparation for the commencement of the new annual leave year in April. If you join us part way through the leave year, you will only be able to buy additional leave at the next enrolment period.