



HOLIDAY ENTITLEMENT AND PAY

Q: How much holiday leave is my employee entitled to?

Statutory holiday is 5.6 weeks paid holiday per year which for an employee who works 5 days per week is 28 days. As a business you can choose to provide more holidays.

For example, if a full-time employee gets 28 days including bank holidays, a part-time employee who works 3 days per week will get $(28/5) \times 3 = 16.8$ days paid leave.

Leave and pay depends on whether your employee is a full time, part time, term time or casual worker.

Q: When does my employee's holiday entitlement start?

Annual leave begins to build up (accrue) as soon as your employee starts work.

Q: How do I work out holiday leave and pay?

Employers can use a "leave year" or an "accrual" system to work out how much leave their staff should get. You can use the government's holiday calculator to work out how much holiday entitlement your employee should get.

<https://www.gov.uk/calculate-your-holiday-entitlement>

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Q: What is a “leave year”

A leave year is the year your organisation runs its holiday to and from i.e. 1st January to 31st December

An employee should be told the dates of their leave year as soon as they start working.

This is usually in the employee's contract of employment and would say something like “your holiday year runs from date-date”.

These dates need to be stated so that the employee knows when they need to use their holiday entitlement by, unless your policy states that they can carry days over into the next holiday year.

If an employee starts their job part way through a leave year, they are only entitled to part of their annual leave, depending on how much of the year is left.

Q: What is an “accrual” system?

Accrual systems can be used to work out an employee's leave during the first year of the job. The first year of employment is the only time your employee must ‘accrue’ holiday in order to request the holiday. Under this system, an employee gets one twelve of their leave each month.

For example, if an employee works a 5 day week and is entitled to 28 days annual leave, after their third month of work, they'd be entitled to 7 days leave (a quarter of their total leave).

Q: What do I pay my employees when they take holiday?

Holiday pay is based on usual pay, including any usual overtime payments. The idea is that the employee receives their ‘normal pay’ whilst on holiday and doesn't lose out by taking holiday.

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Q: Should bank holidays be included in the 5.6 statutory leave entitlement?

Bank or public holidays do not have to be given as paid leave but many employers include these in their statutory holiday allowance ie the 5.6 weeks.

If your business shuts on bank holidays or at Christmas for example, you can request that your staff take these dates off using their paid holiday allowance.

Q: Can employees carry over holiday?

Yes, as long as your policy allows it and adds in a time period of when these holidays need to be taken.

If the employee is unable to take their leave because they are on another type of leave i.e. sick, maternity etc, then they must be able to carry over any untaken leave.

If your employee is on long term sick and not been able to take their leave, then they can carry forward up to 20 days (4 weeks) until next holiday year (e.g. for full time employee)

Q: Can I ask employees to take holiday?

Yes, as long as you provide twice the amount of notice as the holiday. i.e. for 1 week's holiday you will need to give 2 weeks' notice.

Q: We close our business down at Christmas, what do we do?

You can request that employees take holidays during the shutdown period. This should be stated in their contract of employment. If the employee doesn't have enough holiday to cover the shutdown they have to take unpaid leave.

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Q: Can we say that employees cannot take holiday during our busy times?

Yes, you can ask your staff to not take leave at certain times, for example, when you have a particularly busy period.

Q: How do we calculate bank holiday entitlement for part timers?

All part-time workers should be entitled to the pro-rata equivalent of a full-time employee.

Q: What if someone leaves and has taken more holiday than accrued?

Ensure your policy says that you can deduct any holidays taken but not accrued from the employee's final salary.

Q: Does my employee being on maternity leave affect their holiday entitlement?

No, maternity, paternity and adoption leave do not affect holiday entitlement. The employee still accrues holiday over these periods.

Q: Do employees accrue holiday while off sick?

Yes, employees build up holiday as normal while they are off sick and can take holiday while off sick.

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Q: Can I refuse holidays?

Yes, especially if the employee has not provided enough notice. You can also refuse leave if several members of your team want to take holiday at the same time.

Q: Can I ask my employee to give me notice of holidays?

Yes and suggest this is detailed in your holiday policy. Your employee's contract of employment should say something like "the request for permission must be made on a holiday form giving at least (number of days/weeks/months)". Normal notice is twice the amount of holiday requested i.e. 1 week requires 2 weeks' notice.

Q: What if my employee works 6 days per week?

Statutory paid holiday entitlement is limited to 28 days. For example, staff working 6 days a week are only entitled to 28 days' paid holiday.

Q: If my employee is leaving and hasn't taken all their holiday accrued can I ask them to take this during their notice period?

Yes, but ensure your policy confirms this.

Q: I have dismissed my employee for gross misconduct. I am not going to pay them their holiday due, is this correct?

No, an employee is due any accrued statutory holiday (but not taken) at the end of their employment even if they have been dismissed. Any holiday offered on top of this can be dealt with as a separate agreement.

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