

# Holiday Entitlement

Our expert Imogen Edmunds explains holiday entitlement and the key things to consider regarding the different contracts you may have with your employees, workers and/or casual staff. Send your questions to Imogen at [imogen.edmunds@redwing-solutions.co.uk](mailto:imogen.edmunds@redwing-solutions.co.uk).



## Statutory entitlement

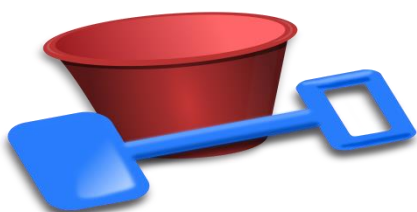
Legally all employees are entitled to 28 days paid holiday a year which equates to 5.6 weeks. This is based on working five days a week. If a person works more than five days a week the statutory amount remains unchanged.

This 28 day entitlement includes 20 days regarded as statutory under the 'European Working Time Directive' and the additional eight reflect the eight public bank holidays that occur within a normal year.

An employer can choose to include in the 28 days entitlement, the eight public bank holidays. Some employers may choose to grant more than the 28 days.

The number of days/hours entitlement should be included in the Contract of Employment.

Occasionally an additional public holiday is granted by the Government, in these cases if your contract specifies the number of bank public holidays to be granted you are not obliged to give a further day. If however, you state 20 days plus bank holidays then you would be required to grant the extra day. If you give more than the 28 days anyway you are not obliged. In the latter cases you may decide to do so as a gesture of goodwill.



## Part-time Staff

Full-time is generally regarded as 37.5 hours a week (equates to 7.5 hours a day). If your contract hours are different – you will need to adjust the figure in the calculations below.

A part time worker is still entitled to 5.6 weeks, the exact number will depend on the number of hours they work.

For part time staff who may work a different number of hours each day it is easier to consider holiday entitlement in hours.

*If someone worked three equal length days in a five day week:*

$$(3/5) \times 28 \text{ days} = 16.8 \text{ days holiday}$$

*If someone worked 3 unequal days: 6 hours, 8 hours and 4 hours out of a 37.5 hour week:*

$$6+8+4 = 18 \text{ hours. } (18/37.5) \times (28 \times 7.5) = 100.8 \text{ hours holiday entitlement}$$

## Casual

The holiday entitlement of 5.6 weeks is equivalent to 12.07 percent of hours worked over a year. The percentage is calculated by 5.6 weeks as a percentage of 46.4 weeks (52 weeks less 5.6 weeks - on the basis they would not work 5.6 weeks)

*If someone worked 20 hours:*

$$12.07\% \text{ of } 20 \text{ hours} = 144.6 \text{ minutes (2 hours, 41 minutes holiday entitlement)}$$

**It is good practice for partial days/hours should be rounded up to the next half/whole number.**

## Accruing Holiday

Employees do not need to have continuous service to be entitled to holiday. Holiday entitlement accrues from day one of employment.

During the first year of service holiday entitlement accrues at 1/12 of the annual entitlement for each month worked.

If someone takes holiday that they have not accrued then it should state in your contract that this will be deducted from their final pay when they leave.



## Booking Holiday

Your contract of employment should state clearly when the holiday year runs from i.e. 1<sup>st</sup> January to 31<sup>st</sup> December, 31<sup>st</sup> March to 1<sup>st</sup> April etc.

Employers should have a visible transparent authorisation system to record bookings and what has been taken. Using planners is acceptable as the data is not regarded as sensitive.

An employer can choose to restrict when an employee takes holiday (i.e. some companies operate a two-week shut-down in the summer). In such cases, employers should provide double the notice period of the holiday period required.

Employers can determine reasonable rules that support operational requirements regarding booking holidays in advance.

## Carrying-over Holiday

An employer should state the maximum amount of days that can be carried over in the contract of employment.

Under the European Working Time Directive if someone has 28 days holiday entitlement a maximum of eight days can be carried over.

Any part of the 20 days entitlement remaining or unable to be carried over will be lost - they cannot be paid for by the employer.

The employer may make discretionary payments for any days/hours remaining above the statutory amount depending on the wording in their contracts.

The only exception to the above are when individuals have accrued holiday whilst on maternity/parental leave or whilst sick.

Returning from maternity/parental leave an individual is entitled to their full holiday entitlement which can be used or paid for once they return to work.

In cases of sickness the individual is entitled to the 20 days statutory entitlement (as a maximum) which can be taken when the individual returns to work.

## Other FAQ's

What is rolled-up holiday pay? This is when an employer includes holiday pay in regular pay – this is illegal and must not be done.

If an employee booked holiday and then turns up what happens? Whilst they may change their plans you are not obliged to provide them with work and could legitimately send them home.

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