

## Calculating holiday entitlement

There is a minimum right to 5.6 weeks paid holiday for ALL employees, but an employer may offer more than this if they choose to do so.

The main things you should know about holiday rights are that:

- employees are entitled to a minimum of 5.6 weeks paid annual leave (28 days for someone working five days a week)
- part-time employees are entitled to the same level of holiday, pro rata (so 5.6 times their usual working week, e.g. 22.4 days for someone working four days a week)
- part-time employees should be treated no less favourably than an equivalent full timer. In practice this means that if an employer gives full time employees extra time off they may have to give extra time off to part-time employees too
- employees start building up holiday entitlement as soon they start work
- employers can control when an employee takes their holiday
- employees are paid their normal rate of pay for their holiday
- when an employee leaves, they get paid for any holiday they have not taken
- an employer can choose to include bank and public holidays in an employee's minimum entitlement
- an employee continues to be entitled to holiday leave throughout ordinary and additional maternity leave and paternity and adoption leave.

### Pro Rata Holiday Entitlement

If something is distributed pro rata, it is distributed in proportion to the amount or size of something e.g. if the annual salary is £20,000 per year but the person is employed for 4 days per week 'pro rata' then the actual salary that person receives is 4/5 of £20,000 i.e. £16,000.

For example if someone works 2 mornings per week:

$2 \text{ (days worked)} / \text{divide by } 5 \text{ (days in a full time week)} \times \text{multiply by } 28 \text{ (days holiday due)}$   
 $= 10.4$  (round down to 10 days holiday per year).

### What about bank holidays?

Depending on the employment contract, an employee is not necessarily required to take a bank holiday as holiday – they can be asked to work on a bank holiday if required. On the other hand, if the business is closed during a bank holiday and the employee is required not to work, they should take this bank holiday as a leave day out of their 28 day allowance (or pro rata equivalent). If the contract of employment specifies that the employee works term time only this does not apply.

### Full time workers

Multiply the number of days you work a week by 5.6 e.g.  $5 \times 5.6 = 28$  days N.B Holiday entitlement is capped at 28 days e.g. an employee who works a 6 day week cannot demand more but an employer may choose to give more.

### Part time working

Part-time workers are entitled to the same level of holiday pro rata so 5.6 times your usual working week, e.g.  $5.6 \times 4 = 22.4$  days for someone working four days a week or for someone employed sessionally for 6 sessions per week  $5.6 \times 6 = 33.6$  sessions

### Term-time workers

It is common in some settings to work term time only, and for holidays not to be taken during these weeks, therefore the person is entitled to be paid for the time they would have had off were that allowed.

If your contract of employment allows you to take holiday during term time you only accrue holiday entitlement on the weeks you actually work.

Payment for the holiday entitlement can be made at any time as agreed between employee and employer.

Holiday entitlement for term time hours can be calculated as follows:

1. Multiply your weekly contracted hours by the number of weeks you work: e.g. 20 hours X 39 weeks = 780 working hours for the year.
2. Calculate the average hours you work each week by dividing your hours for the year by 46.4 e.g. 780 divided by 46.4 = 16.81
3. Then multiply your average working week by the holiday entitlement. e.g. 16.81 X 5.6 = 94.13 hours
4. Amount payable = 94.13 X normal hourly rate.

### Casual or irregular working patterns for bank staff and those on zero hours contracts

In this situation it is best to calculate the holiday entitlement that accumulates as hours are worked, often referred to as accrued holiday entitlement. The current holiday entitlement of 5.6 weeks is equivalent to 12.07 per cent of the hours that are worked. This figure is arrived at as follows:

5.6 weeks' statutory entitlement, divided by 46.4 weeks multiplied by 100

So for example an employee who works for 10 hrs is entitled to 1.21 hrs holiday entitlement arrived at as follows  $10 \times 12.07\%$

### What if a person leaves part way through a year?

In this situation holiday entitlement is calculated pro rata and compared with the actual holiday taken. The difference is then added and or subtracted from their final pay.

### When should the leave year begin?

The leave year normally begins on a date set by agreement between the employer and the employees, details of holidays and holiday pay entitlement should be found in:

- the employee's written contract.
- a written statement of employment particulars given to the employees by the employer, this may be a staff handbook.

The document should contain sufficient detail to enable the employee's entitlement to be precisely calculated, including any entitlement to accrued holiday pay on the termination of employment.

Annual leave should be agreed when an employee starts work. Holiday entitlements are sometimes mentioned in job advertisements and are often discussed at a job interview. The details of how much holiday an employee is entitled to should be confirmed when a successful candidate receives a formal job offer.

**The advice in this document has been taken from the Diocese of London and this is acknowledged with thanks.**