**Holiday Policy (including holiday pay)**

Your holiday entitlement is detailed in your contract. The holiday year runs from [date] to [date]

Except where you are absent on long-term sick leave, all holidays must be taken during the holiday year in which it is accrued.

In exceptional circumstances, a maximum of [number] days may be carried over from one holiday year to the next, but this can be done only with the prior written approval of your line manager/senior management.

All holiday dates must be approved in advance by your line manager. You must give as much notice as possible of proposed holiday dates to ensure adequate staffing coverage. Such notice must be at least twice the number of working days you wish to take as annual leave.

You must make arrangements for holidays and travel with your line manager’s authorisation for the holiday leave. We will not be responsible for any losses incurred by booking travel without leave authorisation.

We may ask you to use days from your holiday entitlement to cover the site closure over Christmas, which closes before Christmas and re-opens after New Year’s Day. This will vary each year depending on the dates.

**Holiday Pay**

Holiday pay is calculated based on your current rate of pay, including commission payments/overtime/travelling-time allowances if there is a settled and regular pattern.

No payment will be in lieu of any holiday not taken (except on termination).

**Zero Hours /Term Time Employees Holiday Pay**

As a zero hours/term time employee, the 52 weeks immediately prior to the period taken (or designated) as leave is used to calculate your total gross pay, which will then be divided by 52 to obtain your average weekly pay. Your average weekly pay will be the amount of holiday pay you receive per full week of annual leave. When calculating the average weekly pay, we will disregard any weeks in which you earned no pay. The 52 weeks will be extended up to a maximum of 104 weeks, o that there are 52 weeks of earnings used in calculating your total gross pay.

We will re-run the average weekly pay calculation each time you take annual leave to ensure that the relevant 52 weeks are used for each annual leave period.

If you have not yet been employed for 52 weeks, your holiday pay will be calculated using the amount of completed weeks you have been employed, and your holiday pay will be calculated using the average pay you received over those completed weeks, disregarding any weeks where there have been no earnings. The minimum holiday entitlement is 20 days + 8 bank holidays, totalling 28 days (i.e. 5.6 weeks). Some examples of how the calculation is performed are as follows:

**EXAMPLE 1:**

Billy has worked for IBM as a flexi worker for 24 months (104 weeks). He wants to take three weeks of annual leave. Billy earns £10 per hour. In the immediate 52 weeks before the annual leave, Billy's work pattern and earnings have been shown in the first table below. In this instance, there are only 44 (i.e. 22 + 22) weeks prior to the annual leave with qualifying earnings.

|  |  |  |  |
| --- | --- | --- | --- |
| **No. of Weeks** | **Number of hours worked in a week** | **Weekly Wage** | **Total wages for** |
| 22 | 21 | £210 (*21 x £10)* | £210 x 22 weeks = **£4,620** |
| 22 | 25 | £250 (*25 x £10)* | £250 x 22 weeks = **£5,500** |
| 8 | 0 | £0 | £0 |

Therefore, the qualifying period should be extended to achieve the full 52 weeks’ worth of earnings for the calculation. In Billy’s case, in the 60 weeks (i.e. 22 + 22 + 8 + 8) immediately prior to the annual leave, Billy’s work pattern and earnings have been:

|  |  |  |  |
| --- | --- | --- | --- |
| **No. of Weeks** | **Number of hours worked in a week** | **Weekly Wage** | **Total wages for** |
| 22 | 21 | £210 (*21 x £10)* | £210 x 22 weeks = **£4,620** |
| 22 | 25 | £250 (*25 x £10)* | £250 x 22 weeks = **£5,500** |
| 8 | 15 | £150 (*15 x £10)* | £150 x 8 weeks = **£1,200** |
| 8 | 0 | £0 | £0 |

In the blue table above, you now have a full 52 weeks of earnings to perform the calculation as follows:

In the 60-week period in the blue table above, Billy has 52 weeks of earnings and 8 weeks with £0 earnings. The 8 weeks of zero earnings must be disregarded. Therefore his total gross earnings for the remaining 52 weeks amounts to £11,320 (i.e. £4,620 + £5,500 + £,1200)

£11,320 ÷ 52 (number of weeks worked) = £217.69 average weekly pay.

£217.69 is, therefore, the amount of holiday pay for one week of annual leave. As Billy is taking three weeks of annual leave, he will receive 3 x £217.69, and his total holiday pay will be £653.08.

**EXAMPLE 2:**

Julie has worked for Blue Monkey as a flexi worker for 15 months (65 weeks). She wants to take two weeks of annual leave. Julie earns £12 per hour. In the full 65 weeks Julie has worked for the company, Julie’s work pattern and earnings have been:

|  |  |  |  |
| --- | --- | --- | --- |
| **No. of Weeks** | **Number of hours worked in a week** | **Weekly Wage** | **Total wages for** |
| 25 | 24 | £288 (*24 x £12)* | £288 x 25 weeks = **£7,200** |
| 25 | 15 | £180 (*15 x £12)* | £180 x 25 weeks = **£4,500** |
| 15 | 0 | £0 | £0 |

Therefore, in the full 65 weeks (i.e. 25 + 25 + 15) that Julie has worked for the company, she has only had a total of 50 weeks of earnings as 15 of the 65 weeks she earned £0, and those 15 weeks must be disregarded. For the remaining 50 weeks, she earned a gross total of £11,700 (i.e. £7,200 + £4,500)

£11,700 ÷ 50 (number of weeks worked) = £234 average weekly pay.

£234 is, therefore, the amount of holiday pay for one week of annual leave. As Julie is taking two weeks of annual leave, she will receive 2 x £234, and her total holiday pay will be £468.

**EXAMPLE 3:**

Joe has worked for ABC as a flexi worker for 6 months (26 weeks). He wants to take a one-week annual leave. Joe earns £15 per hour. In the 26 weeks prior to his annual leave, Joe’s work pattern and earnings have been:

|  |  |  |  |
| --- | --- | --- | --- |
| **No. of Weeks** | **Number of hours worked in a week** | **Weekly Wage** | **Total wages for** |
| 15 | 21 | £315 (*21 x £15)* | £315 x 15 weeks = **£4,725** |
| 7 | 7 | £105 (*7 x £15)* | £105 x 7 weeks = **£735** |
| 4 | 0 | £0 | £0 |

Therefore, in the 26-week period above (i.e. 15 + 7 + 4), Joe had a total of 22 weeks of earnings (i.e. 15 + 7), as 4 weeks of the 26 he earned £0, and those 4 weeks must be disregarded. For the remaining 22 weeks, he earned a gross total of £5,460 (i.e. £4,725 + £735)

£5,460 ÷ 22 (number of weeks worked) = £248.18 average weekly pay.

£248.18 is, therefore, the amount of holiday pay for one week of annual leave. If Joe were taking a period of 1.2 weeks as annual leave, then he would receive 1.2 x £248.18. Therefore, 1.2 weeks annual leave would entitle Joe to £297.81 holiday pay (i.e. 1.2 x £248.18 = £297.81).

**Public and Bank Holidays**

We recognise eight public/bank holidays per year, the dates of which vary yearly. All recognised public and bank holidays are permitted as paid holidays in addition to your annual holiday entitlement specified above.

**Religious Holidays**

Subject to reasonable notice of requested holiday dates, you can normally use your holiday entitlement to observe special religious holidays.

**Holiday Entitlement in Year of Commencement**

If you commence working for us partway through a holiday year, you will be entitled to a proportion of your holiday entitlement based on the period of your employment in that holiday year.

During your first year of service, unless otherwise agreed by your line manager, you will not normally be allowed to take more holiday than you have accrued at the time holiday is taken. Entitlement during your first year is calculated monthly in advance at the rate of one-twelfth of your full year’s entitlement.

**Holiday Pay on Termination of Employment**

If you leave our employment partway through a holiday year, you will be entitled to be paid for any accrued but unused statutory holiday entitlement under the Working Time Regulations 1998/any outstanding holiday entitlement for that holiday year that has not been taken by the date of termination.

However, we reserve the right to require you to take any outstanding holiday entitlement during any period of notice, whether such notice is given by you or by us.

If you have taken paid holiday leave in excess of earned entitlement on your date of termination, you will be required to reimburse us (by deduction from salary if necessary) for such holiday.

No payment in lieu of accrued contractual holiday will be made to you (and where appropriate, a deduction will be made from salary) in the event of your termination for gross misconduct or in the event of you giving inadequate notice of termination or leaving before the contractual notice period has expired. Contractual holiday for these purposes means all and any leave entitlement in your contract that is over and above the minimum statutory leave period provided for in the Working Time Regulations 1998.