

DRAFT POLICY

BUYING ANNUAL LEAVE

1. Purpose

The purpose of this policy is to outline the organisations policy and procedure in relation to buying annual leave. All employees receive paid annual leave. This scheme allows employees some flexibility to alter that entitlement, by buying some additional days leave. This policy explains how the scheme works.

2. Scope

This policy applies to all permanent employees of Portsmouth City Council (excluding schools).

3. Buying Annual Leave

Buying annual leave gives the employee additional day's annual leave entitlement on top of their existing entitlement, in return for losing the pay equivalent to the same number of days.

An employee can buy a maximum of 10 days additional annual leave per annum. This amount is pro rata'd for part time employees.

4. Calculating the Value of a Day's Annual Leave

An employee buying annual leave will lose a day's pay for each day of holiday bought.

This will be calculated by dividing the annual salary by the number of weeks typically worked in one year, and then by the number of hours typically worked in one week to reach an hourly rate. This will be multiplied by the appropriate number of hours to calculate the number of hours in a day.

Example: $£22,500 \div 52.143 \div 37 \times 7.4 = £86.30$

The inclusion of other elements of pay (e.g. shift allowance, Market Supplement Payments, Acting Up Allowance, Contractual Overtime, Additional Hours, Call Out, EMOL Rent, Standby, Salary Protection) in the calculation of a day's pay will also be deducted.

5. Procedure for Buying Annual Leave

The process to buy additional annual leave will take place on an annual basis, prior to the leave year commencing. Employees may request to buy additional leave during October and November of each year. Heads of Services will consider the requests and will confirm if this has been authorised by the end of

December, enabling the employee to take their additional leave in the forthcoming leave year.

Employees wishing to buy annual leave must complete the “Request to Buy Additional Leave” form. This should be discussed with the employee’s line manager and authorised by the Head of Service.

The Head of Service has the discretion to agree the buying of additional annual leave and in conjunction with the line manager, will consider the following in making that decision:

- Whether the request exceeds the maximum number of days that can be bought as set out in the policy.
- Previous requests for additional annual leave
- The operational needs of the service
- Requests made by other employees within the service and the need for consistency in considering such requests
- Any other relevant factors

The Head of Service will write to the employee confirming the agreement or refusal of the request.

If the request is granted, the Head of Service will inform the Payroll Department via the “Request to Buy Additional Leave” form. The Payroll department will confirm the amount of pay that will be deducted as a result of the purchase of additional annual leave. Deductions will be made in 12 equal monthly instalments from January to December.

6. Appeal Against a Decision

If a request to buy annual leave is refused and the employee is unhappy with the decision, the employee can raise a grievance, in writing to their Line Manager, in line with the Formal Action Policy.

7. Where an Employee Leaves Within the Annual Leave Year

Where an employees leaves part way through the leave year, their annual leave allowance will be calculated on a pro rata basis up until their last day of employment, plus any additional bought leave. Any debit in the amount of leave taken or balance of monies to be repaid in respect of the days bought, will be recovered automatically from the employee’s final pay. Any outstanding leave should normally be taken during the notice period. Any untaken leave will be accounted for in the final pay.

8. What if the Employee Changes Their Mind?

The option to buy annual leave is part of a wider flexible benefits package to give employees more control over their annual leave – once committed to an option for the forthcoming leave year; the employee cannot revert back to the standard entitlement offered and the arrangements are fixed for the entire leave year.

However, carry over rules within the standard annual leave entitlement policy still apply and an employee will continue to be able to carry forward 5 days annual leave into the next leave year, should they wish to do so.

9. What if the Employee's Hours or Pay Change Midway through the Year?

Changes to an employee's rate of pay will be picked up automatically, as the Payroll will be set up to recover an appropriate percentage of what the employee earns. However, if an employee's hours change, they will need to seek advice from HR to calculate the pro rata amount of leave entitlement for the basic statutory leave entitlement including bank holiday hours.

10. What if the Employee goes on Maternity Leave?

If an employee has opted to buy additional annual leave and then goes on maternity leave during the same annual leave year, the employee will still be required to pay for those days whilst on maternity leave.

The amount the employee will need to pay over the year will be the total of twelve monthly deductions at the rate set when the agreement is made. However, when the maternity pay begins, the employee's monthly deductions will automatically be amended to reflect their temporary reduction in pay. During the no pay period of maternity leave, the deductions will cease completely. On return from work, the employee will be required to make up the balance in once single payment to cover the total amount remaining. If the person is still on maternity leave at the end of the leave year, they will need to plan their leave accordingly.