

18. How to Manage Holiday

1 OVERVIEW

Under the Working Time Regulations 1998, employees are entitled to minimum of 5.6 weeks of paid annual leave in each leave year. The entitlement includes public holidays.

It is advisable to create a written policy stating employees' entitlements to annual leave and your company rules on taking annual leave. Individual contracts of employment will outline an employee's personal holiday entitlement.

2 MANAGING THE HOLIDAY PROCESS

You should outline the requirements, rules and procedures that you have in place around the booking and taking of annual leave in a policy. This could include the following:

- You should require all annual leave to be pre-authorized by you or the organisation and you should outline that taking leave without authorisation will be considered a disciplinary offence.
- You should state when your company's holiday year starts and ends.
- Employees must give notice of their request to take leave. Inform your employees of the process they should follow to request holiday. This could be a holiday form to be completed and given to the manager, or it could be a request through an online holiday booking system.
- Some employers stipulate a required amount of notice to be given to book holiday, for example, for a holiday of a week or more, you could ask the employee to give at least one month's notice.
- An employer may reasonably require an employee to take annual leave at a particular time. For example, if you operate a business shut down each year between Christmas and New Year, you may require employees to take annual leave to cover this period of time. This period is not in addition to annual leave entitlement so employees need to retain sufficient annual leave to cover this period.

3 PUBLIC HOLIDAYS

If your business requires an employee to work on a public holiday, they will be entitled to take a day leave at another time in the leave year to be agreed with you in accordance with business needs.

4 HOLIDAY PAY

During annual leave, employees will receive their normal pay. If an employee works atypical or ad hoc working patterns, holiday pay will need to be calculated on an individual basis. You can use this online calculator. www.gov.uk/calculate-your-holiday-entitlement

5 NEW STARTERS AND PRE-BOOKED LEAVE

During the recruitment process, prospective employees may be asked whether they have any leave booked that would take place after commencement of employment. If the individual is recruited, it is good practice to allow such leave to be taken.

6 HOLIDAYS AND SICKNESS

The normal sickness notification procedures will apply to an employee when they are on leave and wish to reallocate the period of leave as sickness and then take the annual leave at another time in the leave year.

7 MATERNITY, PATERNITY, SHARED PARENTAL AND ADOPTION LEAVE

Annual leave will continue to accrue during periods of maternity, paternity, shared parental or adoption leave. A discussion should take place covering the taking of annual leave as part of a pre-leave meeting between the employee and the employer.

8 UNTAKEN ANNUAL LEAVE

You should encourage your employees to take all of their annual leave entitlement each year so that they have adequate opportunity to rest and recuperate.

Ordinarily, leave that has not been taken cannot be carried forward into the next leave year and will be lost. You might stipulate in your policy that if an employee wishes to carry forward any holiday entitlement into the next holiday year, then approval must be sought from you.

9 WHEN AN EMPLOYEE LEAVES

When an employee leaves an organisation part way through a leave year, their leave entitlement will be recalculated on a pro-rata basis. This will determine the amount of leave the employee would be entitled to, for the period of service during the leave year.

Any outstanding leave accrued but untaken will be paid to the employee in their final pay.

If the employee has exceeded their pro-rata entitlement to holidays at the time they leave their employment, this will be classed as an overpayment and an amount to cover this will be deducted from their final pay, subject to the maximum that their final pay permits.

10 NEXT STEPS

- Decide what your company holiday booking process is going to be, for example, through a holiday booking form.
- Decide when your company holiday year is going to start and end.
- Formalise your company holiday processes and procedures in a policy document accessible to all employees.

11 FACTSHEETS TO HELP

- How to Manage Sickness Absence
- How to Manage Other Types of Absence
- How to Manage Maternity, Paternity, Adoption and Shared Parental Leave

12 FOR MORE ADVICE AND INFORMATION

ACAS - (Advisory, Conciliation and Arbitration Service) free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law. www.acas.org.uk

Achieve in Bath & North East Somerset - free recruitment support, advice and help. Matching job seekers, employers and course providers to help employers recruit, train and retain employees. www.achieveinbathnes.co.uk

Future Bright - free help & support for businesses and employees to realise their full potential. Provide access to training and development, workshops and networking. HR support to promote career progression and best practice to attract and retain staff. www.futurebright.org.uk

Bibliography - this fact sheet was produced by Rathbone HR Solutions in association with Cool Ventures Ltd in December 2018 with content sourced from; HR Inform (www.hr-inform.co.uk), ACAS (www.acas.org.uk), CIPD (www.cipd.co.uk), the pensions regulator (www.thepensionsregulator.gov.uk/en/employers), HMRC (www.gov.uk/government/organisations/hm-revenue-customs), the Information Commissioner's Officer website (www.ico.org.uk)



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