

Holiday entitlements

A contract of employment will set out how much holiday you are entitled to. The statutory minimum is 5.6 weeks or 28 days, which includes bank and public holidays, normally 8 days per year for a full time employee.

Basic Holiday rights

- ✓ The company might offer more holiday entitlement than the statutory minimum
- ✓ Your employees are entitled to a minimum of 5.6 weeks paid annual leave (28 days for someone who works five days a week)
- ✓ Part time workers are entitled to the same level of holiday pro rata, calculated at 5.6 times your usual working week, or you can use a fraction or percentage of the full-time rate. For example, someone working four days a week, (4/5 or 80% of 28 days) are entitled to 22.5 days
- ✓ Your employees start building up holidays as soon as they start work
- ✓ Your employees will be paid their normal pay for their holiday unless on a variable hours contract and regularly earn commission or overtime
- ✓ You have some control as to when your employees take their holidays
- ✓ When your employee finishes their job, they get paid for any holiday they have not taken over the holiday year, pro rata
- ✓ Your employee accrues holiday entitlement throughout their ordinary and additional maternity leave, shared parental, paternity and adoption leave

Calculating your holiday entitlement

Accrued annual leave.

To calculate accrued holiday, you will need to divide the annual holiday allowance by 12 to get a monthly figure, then multiply by the number of months the employee has worked.

An employee who works 5-days a week has entered their employment 2 months into their leave year and their holiday entitlement is 28 days.

$28 / 12 \times 10$ (remaining months) = this employee's holiday entitlement is 23.3 days.

New starters and leavers holiday entitlement

Calculating for starters and leavers can be done in two ways

If an employee starts on 1st August, there are 152 days between their start date and 31st December. Assuming their holiday year runs January to December.

Divide 152 by 365 (or 366 for a leap year) and multiply by 100 to arrive at the percentage of full holiday allowance this employee is entitled to.

$152 / 365 = 0.41 \times 100 = 41\%$

If your holiday allowance for a full year is 28 days, this employee's entitlement is 41% of 28 days which is 11.48 days.

By law, you cannot round down the leave. It is at an employer's discretion whether you round it up or not, but in this case, you may choose to round up the 9.24 remaining days to 9.5.

An employee who works 5 days a week has been in your employment for 6 months and their annual holiday entitlement is 28 days.

$28 \text{ days} / 12 \times 6 = 14$ days of annual leave entitlement for the 6 months they have worked for you.