Guidance for calculating annual leave

As you an employer you will have an agreed holiday entitlement is for your employees. The statutory minimum amount of holiday an employee is entitled to is 5.6 weeks inclusive of bank holidays. Typically, this is spilt as follows:

* 20 annual leave
* 8 bank holidays (this can sometimes change due national events being designated as an additional bank holiday)

However, employer can decide to offer more than the statutory minimum. You will also have an agreed ‘holiday year’ – for example, January to December or April to March. It is important to monitor that your staff are taking their holiday and to encourage them to do for work/life balance and their well-being.

At the end of the year it is important that you reconcile the holiday particularly if you allow a certain amount of leave to be carried over to the next year.

Full-time staff

Employees who work full-time get the full entitlement plus the bank holidays. The easiest way for them to request holiday and for holiday to be recorded in days or half days if they wanted to just take a morning or afternoon off. Bank holiday do not have to be requested, they are just given. However, if a full-time member of staff works a bank holiday you would add an extra day to their entitlement to compensate.

Part-time staff

As part-time staff may work a variety of working patterns, it is easier to calculate their entitlement and record their holiday in hours.

A part-time member of staff’s holiday entitlement includes a pro-rata annual leave entitlement and a pro-rata bank holiday entitlement. For any bank holidays that coincide with the member of staffs working pattern, the appropriate number of hours are deducted from their holiday entitlement – it is good to do this at the beginning of the holiday year, so the member of staff know what remaining holiday they have.

In order to calculate part-time holiday entitlement you need to first convert the entitlement from days to weeks as per the examples below**:**

* 20 days annual entitlement, plus 8 bank holidays = 28 divide by 5 = 5.6 weeks
* 22 days annual entitlement, plus 8 bank holidays = 28 divide by 5 = 6 weeks
* 25 days annual leave entitlement, plus 8 bank holidays = 33 divide by 5 = 6.6 weeks

If there is an extra bank holiday one year increase bank holidays from 8 to 9 eg.

* 25 days annual leave entitlement, plus 9 bank holidays = 33 divide by 5 = 6.8

For the following examples 6.6 weeks used.

To calculate for part-time staff who have a set number of contracted hours per week

Hours per week x 6.6 = holiday in hours including bank holiday entitlement (e.g. 18 x 6.6 = 118.8 hours). Is is recommended to round the figures as it is difficult to determine, as with this example, what 0.8 is in terms of hours!

To calculate Leave for Variable Hours Staff (ie no set hours, works hours as and when)

For this example, the annual leave entitlement is 33 days per annum (including bank holiday entitlement) pro rata for part-time staff.

Calculating leave entitlement

Annual leave is accrued as a percentage of each hour worked.  It is calculated as follows:

1. convert the leave entitlement from days into weeks
2. subtract the number of weeks entitlement from the number of weeks in the year (i.e. 52) to give the number of potential weeks that can be worked during the year
3. divide the number of weeks leave entitlement by the number of weeks of potential work, and
4. multiply this by 100 to give a percentage.

As an example, for a member of staff with 33 days leave entitlement this would be:

1. 33 days leave =  6.6 weeks' leave entitlement
2. 52 minus 6.6 = 45.4 potential weeks that can be worked during the year
3. 6.6 divided by 45.4,
4. multiplied by 100 = 14.54%

Therefore, for every hour worked 14.54% of that hour is accrued as leave entitlement.

The calculation of accrued entitlement should be made at each pay period and added to a running total in the year.

The variable hours employee should request to take leave in the same way as any other employee, and be subject to the same management approval. They should have accrued enough holiday to cover the leave they are requesting.

In comparison a full-time (assuming 37 hours is full-time in this example) member of staff’s leave could be calculated as follows:

37 x 52 weeks = 1924 hours available in the year, this will include holiday

37 x 45.4 (52-6.6 weeks) = 1679.8 available hours to be worked in the year

37 x 6.6 = 244.2 hours holiday including bank holiday entitlement (5 x 6.6 = 33 days)

1679.8 x 14.54% = 244.2 hours holiday including bank holiday entitlement

Calculating for annualised hours contracts (includes bank holiday entitlement):

In an annualised hours contract the total hours the pay is based on must INCLUDE the holiday entitlement:

Total number of hours / 52 x 6.6 = number of hours holiday (e.g. 420 / 52 x 6.6 = 53.3 hours)

Example:

Work hours are 200 per year, therefore the holiday entitlement based on 200 hours is:

200/52 x 6.6 = 25.5 (rounded to the nearest half)

The holiday entitlement is added to the working hours: 200 + 25.5 = 225.5

225.5 is the number of hours the pay for the member of staff’s pay must be based on

Annualised hours employees should record the hours they work to ensure they are on target to reach their annual total (in the example above this is 225.5). When recording their hours, the member of staff needs to annotate which hours are designated to holiday.

For more information on holiday entitlement please visit

<https://www.gov.uk/holiday-entitlement-rights>

or contact the HR Team

### Holiday request form

|  |  |
| --- | --- |
| **Employee name:** |  |
| **Department:** |  |
| **Holiday year:** |  |
| **Entitlement in full year:** | **Days/Hours** |

To be completed by employee

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Start date** | **End date** | **Number of days/hours** | **Date of request** | **Manager**  **authorisation** | **Days/Hours remaining** |
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### Holiday request form

|  |  |
| --- | --- |
| **Employee name:** | **Joe Smith** |
| **Department:** | **Administration** |
| **Holiday year:** | **2024 (Jan – Dec)** |
| **Contracted Hours** | **18 (works Mon, Tues and Weds, 6 hours per day)** |
| **Entitlement in full year:** | **119 Hours** |

To be completed by employee

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Start date** | **End date** | **Number of ~~days~~/hours** | **Date of request** | **Manager**  **authorisation** | **~~Days~~/Hours remaining** |
| 1/1/24 | 1/1/24 | 6 (BHOL) |  |  | 113 |
| 1/4/24 | 1/4/24 | 6 (BHOL) |  |  | 107 |
| 6/5/24 | 6/5/24 | 6 (BHOL) |  |  | 101 |
| 27/5/24 | 27/5/24 | 6 (BHOL) |  |  | 95 |
| 26/8/24 | 26/08/24 | 6 (BHOL) |  |  | 89 |
| 25/12/24 | 25/12/24 | 6 (BHOL) |  |  | 83 |
| 15/7/24 | 26/7/24 | 36 (Summer holiday) |  |  | 47 |
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