

## RESEARCH COUNCIL ANNUAL LEAVE POLICY

### Guidance

This document provides additional guidance for managers, employees and HR in the handling of annual leave issues. It includes the Research Council's Annual Leave Policy and Procedure which is contractual. The additional guidance which is shaded is not intended to be legally binding and does not form part of the Research Council's Annual Leave Policy and Procedure.

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## RESEARCH COUNCIL ANNUAL LEAVE POLICY

### Policy statement

In order to deliver its strategy effectively and to achieve research excellence in all its own funding decisions, the Research Council must strive for the highest levels of productivity and performance from its employees. To this end it is important that employees take regular breaks from work.

The purpose of the Annual Leave policy is to outline entitlements to annual leave.

The Annual Leave Policy and Procedure (the 'Annual Leave Policy') has been agreed with the Trade Union Side and complies with statutory legislation.

The Annual Leave Policy applies to all employees of the Research Council, but excludes visiting workers, students or those workers provided by a third party.

The UK Shared Business Services Ltd (SBS) provides HR Services across the Research Councils. However some employees are deployed at establishments/facilities/ships that are unable to access services from SBS. In these cases references to the SBS or System will not apply and employees should refer to their Research Council HR team for assistance.

Whether a worker is deemed to be a worker or employee is not always clear under employment legislation. In cases where managers or staff have any doubt as to whether the Annual Leave Policy should apply, advice should be sought from the Research Council HR team.

### 1. Principles

- 1.1 Under the terms of the Working Time Regulations there is a statutory minimum employers need to give as paid holiday leave in each leave year (pro-rated as appropriate). The regulations allow employees to have a minimum statutory entitlement of 28 days paid leave per year (which may include public and bank holidays).
- 1.2 The Research Council currently provides paid leave to employees in excess of the statutory minimum (see paragraph 2).
- 1.3 The Research Council encourages employees to take their annual leave entitlements to ensure regular breaks from normal working duties, and expects all employees to use the minimum statutory entitlement (paragraph 1.1 above).

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### 2. Annual Leave

- 2.1 The Research Council's annual leave year runs from 1 January to 31 December each year.
- 2.2 It is possible for up to 10 days' unused leave to be carried forward into the next leave year (pro rata for part time employees – see paragraph 5 on calculating pro rata entitlement).
- 2.3 At local discretion annual leave can be anticipated from the next leave year, up to a maximum of 10 days (pro rata for part time employees).
- 2.4 Full time employees are entitled to 30 working days' paid annual leave each calendar year. In addition they receive 8 public/bank holidays and 2.5 privilege days. Entitlement is pro-rated for part time employees.
- 2.5 Accrual of annual leave (i.e. 30 days entitlement, pro-rata for employees working part-time) continues during the following circumstances:
  - Paid/unpaid sick leave (for information on carry-over of untaken annual leave due to sick absence see the Research Council Sickness Absence Management Policy)
  - Paid and unpaid maternity/adoptive/maternity support leave and parental leave. Normal carry-over of annual leave applies (for more information see Research Council Policy on Maternity, Adoption etc Leave)
  - Paid special leave
  - Secondment to another Research Council.
- 2.6 Annual leave must be approved by the individual employee's manager and should accommodate the working needs of the establishment.
- 2.7 All outstanding annual leave should be taken (where possible) before an employee leaves the Research Council. In exceptional circumstances employees may be paid in lieu of taking outstanding annual leave at the discretion of their manager. Where employees leaving the Research Council have used more than their leave entitlement a commensurate deduction should be made from their final salary payment, or additional days should be worked to compensate for the paid leave taken. For further information on over or under taken annual leave on termination of service see paragraph 7.

### 3. Public and bank holidays

- 3.1 Public and bank holidays must be taken on the following 8 days in England and Wales:
  - New Year's Day
  - Good Friday
  - Easter Monday
  - May Day
  - Spring Bank Holiday Monday
  - Late summer (August) Bank Holiday Monday

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- Christmas Day
- Boxing Day

- 3.2 Employees in Scotland are entitled to the same number of public and bank holidays; due to differences in the Scottish leave calendar the selection of these days is left to the Director's discretion.
- 3.3 Part time employees, those on compressed hours or not working a standard 5 days a week are entitled to receive these holidays pro-rata on an hourly basis (see example calculation at paragraph 5).
- 3.4 Public holidays accrue during paid and unpaid maternity/adoptive/maternity support leave; however, untaken public holidays may not be carried forward to the following leave year. Public holidays do not accrue during periods of sick absence/special leave (paid or unpaid).

### 4. Privilege holidays

- 4.1 An additional 2.5 privilege days are given to employees. It is at the discretion of each establishment as to how these are applied.
- 4.2 Part time employees, those on compressed hours or not working a standard 5 days a week are entitled to receive these holidays pro-rata on hourly basis (see example calculations at paragraph 5).
- 4.3 Privilege holidays accrue during paid and unpaid maternity/adoptive/maternity support leave; however, untaken privilege holidays may not be carried forward to the following leave year. Privilege holidays do not accrue during periods of sick absence/special leave (paid or unpaid).

### 5. Annual leave and public & privilege holiday calculations for those working part time

- 5.1 Part time employees receive their annual leave and public and privilege days in hours on a pro-rata basis. (Part time includes anyone not working 7.4 hours a day, 5 days a week). These are calculated and recorded on the System using the formulae:

**Annual Leave:**  $(\text{Hours worked per week} \div \text{full time hours per week}) \times \text{full time annual leave entitlement (in days)} \times \text{full time hours in a standard day} = \text{your personal entitlement (rounded up to the nearest hour)}$ .

**Public and Privilege days:**  $(\text{Hours worked per week} \div \text{full time hours per week}) \times \text{full time public \& privilege entitlement (annual in days)} \times \text{full time hours in a standard day} = \text{your personal public \& privilege entitlement (rounded up to the nearest hour)}$ .

*Example 1: an employee who works 20 hours (4 hours per day, 5 days per week) will be entitled to the following annual leave allowance:  $(20 \div 37) \times 30 \times 7.4 = 120$  hours per year.*

*They will also receive the following public and privilege holiday allowance:  $(20 \div 37) \times 10.5 \times 7.4 = 42$  hours per year.*

*Example 2: An employee who works a full 7.4 hours per day on Monday, 5 hours on Tuesday, zero hours on Wednesday, 5 hours on Thursday and 4 hours on Friday would be entitled to the following annual leave allowance:  $(21.4 \div 37) \times 30 \times 7.4 = 133.2$  hours (rounded up to 134 hours per year).*

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*They will also receive the following public & privilege holiday allowance:  $(21.4 \div 37 \times 10.5 \times 7.4 = 46.62$  hours (rounded up to 47] hours per year.*

- 5.2 Employees whose leave is calculated in hours must book leave for any public or privilege holiday which falls on a day when they would normally work e.g. if an employee normally works Monday to Thursday they need to book only the hours they would work on those days and can ignore any holidays which occur on Fridays.

### 6. Part-year Service

- 6.1 Annual leave is regarded as accruing during the leave year. Accordingly, an employee serving for only part of a given year will not in that period be entitled to more than a proportionate amount of the full annual allowance of annual leave.
- 6.2 For full time employees who are in post for only part of the leave year the proportionate amount of leave will be calculated by reference to the number of weeks worked in the year rounded up to the nearest half day. The formula used will be:

*Leave entitlement x number of weeks available to work / total number of weeks in a year*

For example, a full time employee joining on the 7<sup>th</sup> working week of the leave year (and therefore working 46 weeks of the year) would have their part year leave entitlement calculated as:

*Leave entitlement (30 days) x 46 / 52 = 26.53 or 27 days*

- 6.3 For part time workers and those working compressed hours (see para 2.2), the calculation will be worked out in hours e.g. for someone working 20 hours a week for 46 weeks of the leave year:

*Full time Annual Leave entitlement (30 days) x part-time working (20/37) = annual leave entitlement of 16.21 days. Days converted into hours =  $16.21 \times 7.4 = 119.95$  hours, rounded up to 120 hours. Converted for part-year working (46 weeks) =  $120 \times 46/52 = 106.15$  hours, rounded up to 107 hours.*

### 7. Over or under-taken annual leave on termination of service

- 7.1 The following principles apply to annual leave at the end of service:
- Management will make every effort to ensure that employees are able to take the annual leave due to them. For their part employees must apply to take the leave due; they may not accumulate leave with the specific intention of having it converted to payment.
  - Employees will not be allowed to take any further annual leave, which together with leave already taken would exceed their accrued entitlement. Where that entitlement has already been exceeded, employees will be required to refund the cash equivalent of the excess.
  - Employees who, because of the needs of the work, have not been allowed at the date of leaving to take the accrued annual leave allowance for the relevant leave year (calculated on a pro rata basis) will be paid the cash equivalent of the untaken leave.
  - Unless otherwise stated no payment will be made for untaken leave carried forward from an earlier leave year (see sick absence below).

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- 7.2 The application of the above principles in specific circumstances will be as follows:
- a) Where the last day of service is known well in advance (e.g. resignation, retirement, redundancy or end of fixed term appointment) payment will be made only for annual leave which employees are specifically prevented from taking by management.
  - b) Sick absence – if an employee leaves before they have had the opportunity to take their annual leave entitlement due to sickness, cash compensation is allowed for untaken leave including exceptionally, payment for up to 20 days' statutory annual leave carried over from the previous leave year.
  - c) In the case of ill health retirement while on sick absence, or in the case of an employee's death, payment will be made for annual leave accrued and carried over but not able to be taken. Where leave already taken exceeds the earned allowance, the requirement to refund the cash equivalent of the excess will be waived.

Consideration should be given to operational need and a reasonable period for 'hand over' should be expected. In cases where a leaver has a large amount of leave outstanding it may be necessary to pay in lieu of leave rather than have no 'hand over' period.

Caution should be exercised when extending a contract to accommodate annual leave requirements; for example extending a fixed term appointment beyond a critical deadline, or extending a probationary contract. Managers need to show discretion.

## 8. Record keeping

- 8.1 All employees must input their annual leave on to the System.

Managers are responsible for ensuring that accurate leave records are kept for employees. For employees leaving the Research Council, the manager will be responsible for ensuring kept records are provided to the UK Shared Business Services (SBS) or their Research Council HR team, to ensure any outstanding payments / deductions are made.

- 8.2 Employees' annual leave (including public and privilege days for part time employees) must be recorded on the System. Balances are detailed under Absence Summary which will provide a breakdown of initial balance, leave taken, leave booked and leave remaining. Employees wishing to book time off should firstly discuss this with their manager and if available they should then proceed to book the time off through the System. The System will automatically update the leave balances and keep track for the employee as to how much annual leave they have left for the remaining year.

## 9. Sickness during periods of annual leave

- 9.1 If an employee falls ill whilst on annual leave, they should report their sickness to their manager in the normal way. The manager will then make arrangements to record the

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absence under the Sickness Absence Policy. Normal sickness absence reporting arrangements will then apply and the untaken annual leave may be taken at another time.

### 10. Unpaid leave

10.1 There may be circumstances when an employee wishes to apply for a period of unpaid leave to be taken in addition to the normal annual leave allocation, further details on how to apply for periods of unpaid leave can be found in the Special Leave Policy.

### 11. Policy review

11.1 This policy will be regularly reviewed to incorporate any legislation changes. The TU may request that a policy is reviewed.

### 12. Amendment history

Version	Date	Comments/Changes