

## **Wiltshire Council Human Resources**

### **Purchasing Annual Leave policy and procedure**

This policy can be made available in other languages and formats such as large print and audio on [request](#).

#### **What is it?**

This scheme gives employees of Wiltshire Council the opportunity to purchase up to two weeks additional leave each year (pro-rata for part-time employees). It is aimed at providing greater work/life balance for employees and allow for events such as a special occasion or trip or taking extra leave for personal or family reasons.

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#### **Who does it apply to?**

The policy applies to all Wiltshire Council employees except centrally employed teachers, Youth and Community employees and teaching and non-teaching staff employed in maintained schools or academies. It also does not apply to an employee who has transferred under TUPE terms and conditions of employment.

#### **When does it apply?**

The scheme runs from 1 January – 31 December alongside the normal annual leave year but it will be administered separately.

It is a discretionary scheme and will be reviewed each year. It is not a term and condition of your employment.

For 2016 only there will be special arrangements as the scheme has been introduced part way through the year.

### **When does it not apply?**

The policy will not apply to:

- employees in their probationary period
- fixed term or temporary contracts with less than 12 months left to run
- teaching and non-teaching staff employed in maintained schools or academies.
- centrally employed teachers
- youth and community employees
- staff on term time only contracts

### **What are the main points?**

#### **Application period**

1. There is one application window each year during which you can apply to purchase additional annual leave of up to 10 days for full-time employees, pro-rata for part-time employees. The application window will be 1 January to 31 January for requests to purchase extra leave during the new leave year.
2. Precedent will be given for requests for standard annual leave where known. This means that requests for the purchase of additional annual leave may be refused where the requests coincide with standard annual leave for other employees in the same team, and agreeing the purchase of the additional annual leave would impact on service delivery.

#### **Interim arrangements for 2016 only**

3. For 2016 only as the scheme is being introduced part way through the year the window of application will be 9 May 2016 to 3 June 2016 for purchasing annual leave to be taken between 4 July and 31 December 2016.
4. For 2016 you will only be able to purchase one week (5 days) of additional leave (pro-rata for part-time employees) as the scheme is being introduced mid-way through the year.
5. Applications to purchase annual leave must be made using the application form ([link](#)).

### **Amount of additional leave that can be purchased**

6. If you are a full-time employee you are able to purchase a maximum of 10 days additional leave each year to be taken in one week blocks. A week is based on your working week pattern and must be a normal working week even if some of these days are non-working days.
7. If you are a part-time employee you can purchase the equivalent of 10 days pro-rata leave each year to be taken in one week blocks. A week is based on your part time working week pattern and must be a normal working week, even if some of these days are non-working days.
8. You are able to request to take the two week blocks consecutively.
9. In accordance with the [Annual leave and bank holiday entitlement policy](#) the maximum amount of leave that can be taken at any one time by combining annual leave with carry-over of annual leave, accrued banked leave, unpaid leave and purchase of annual leave is 40 days (pro-rata for part time staff). This is subject to the approval of your manager.

### **Application process**

10. If you wish to request additional annual leave you need to complete the application form within the application window detailing the amount of leave you are requesting and send the form electronically to your manager for approval.
11. If you have more than one job at the council you can apply for a maximum of 10 days additional leave (pro-rata for part time staff) in total, and not for each job. If you are requesting leave from all your jobs at the same time you will need to get the approval of each of your managers.
12. Your manager will assess all applications received for purchased annual leave at the end of the application window period and will take into account that standard annual leave booking takes precedence over purchased annual leave.
13. If your manager approves the leave they will complete the form and send it to [Policyandreward@wiltshire.gov.uk](mailto:Policyandreward@wiltshire.gov.uk).
14. When the approved application is received by HR, the team will carry out eligibility checks to make sure you have sufficient pay after deductions to meet the legal minimum requirements for the national minimum wage. Providing this is satisfactory your request will be actioned and you and your manager will receive an email of confirmation.
15. As with any other leave request managers have the right to refuse requests in full or part (e.g. one week instead of two) because of service delivery

reasons such as the leave request is over a busy period or other employees have already booked standard annual leave for the same time.

16. If your manager cannot agree to your request they must give their reasons for refusing the request on the form and return it to you. Your manager will discuss with you the potential for agreeing alternative dates.
17. Managers can discuss with their team if there are a number of requests for the same period to see if someone is prepared to alter their dates, or if there can be a compromise.
18. Managers need to ensure consistency in their decisions to agree or decline purchase of annual leave requests as with any other leave requests.
19. If it is not possible to accommodate your request or agree alternative dates your request will be declined and there is no right of appeal. Managers must send the form including the reason the request was declined to [policyandreward@wiltshire.gov.uk](mailto:policyandreward@wiltshire.gov.uk)

### **Recording of annual leave and purchased annual leave**

20. Annual leave and purchased additional annual leave must be recorded and processed separately. There is no change to the way annual leave is requested and recorded.

### **The cost of your purchased annual leave**

21. You are able to calculate the estimated cost of your annual leave by using the purchase annual leave calculator. ([link](#))
22. Deductions for the purchase of annual leave will be taken from your salary starting in March each year and will be taken in 9 equal monthly instalments equivalent to the value of the number of days purchased.
23. The cost of your annual leave is based on your contractual hours and salary at the time of the application window closing date. It will include all regular contractual payments you receive such as unsocial hours allowance.
24. The cost of your purchased annual leave will be deducted from your gross salary prior to deductions for tax, national insurance and pension.
25. A request for purchased annual leave will be declined if after deductions your hourly rate is lower than the national minimum wage.

### **Commitment**

26. Once your application to purchase annual leave has been agreed you are committed to the scheme. If you fail to take the leave at the agreed time the

leave will be lost with no reimbursement unless you are able to agree with your manager a mutually convenient time to take the leave within the leave year.

27. By completing and submitting an application for the purchase of annual leave you are agreeing to deductions for the purchase of your leave from your salary.
28. Purchased annual leave cannot be carried over from one leave year to the next. If it is not used within the 12 month annual leave year in which it was purchased it will be lost. The annual leave year runs from 1 January to 31 December.
29. In exceptional circumstances if your manager requests that you do not take the leave because of urgent service needs and you agree to the request, you will be reimbursed the amount that you have paid for the additional purchased leave which has not been taken. Alternatively you may be able to agree with your manager a mutually convenient time to take the leave at a different time within the leave year.
30. If you leave the council you will be reimbursed for any outstanding additional annual leave purchased and not taken. For any purchased leave taken but not yet paid for the amount will be reclaimed from your final salary.

### **Sickness**

31. If you are unable to take purchased annual leave due to sickness a discussion will need to take place with your line manager to agree whether the leave can be taken at a different time or whether you can be reimbursed.
32. If it is not possible for you to take purchased annual leave at another time the deductions will stop and you will be reimbursed for the deductions taken to date.

### **Maternity/adoption and paternity leave**

33. In the case of maternity/adoption or paternity leave if you have purchased annual leave and payments have been deducted for leave not yet used you will be reimbursed. For purchased annual leave taken but not yet paid for the amount will be reclaimed from you. You will not be able to carry additional leave forward to when you return from maternity / adoption / paternity leave.

### **Redundancy**

34. If you are made redundant you will be reimbursed for any purchased leave not taken for which deductions have already been made. For any purchased

leave taken but not yet paid for the amount will be reclaimed from your final salary.

### **Pension implications**

35. Purchase of annual leave is treated as unpaid leave for pension purposes and will result in a loss of pension unless you make an election to pay additional pension contributions (APCs).
36. To make up the lost pension you must do so within 30 days of your return to work in order for the council to fund  $\frac{2}{3}$  of the cost of the APC and for you to pay  $\frac{1}{3}$  of the cost of the APC. If you do not do this within this time frame you will be responsible for funding the whole cost of the APC.
37. If you choose not to purchase an APC then this period of service will not count as qualifying and reckonable service for pension purposes.
38. You must state on your application form for purchase of annual leave whether you intend to purchase APCs.

### **Roles and responsibilities**

#### **Employee responsibilities**

- Discuss your request for purchased additional leave with your manager prior to submitting an application form.
- Submit the application form to your manager before the closing date of the application window.
- Note that by requesting the purchase of annual leave you will have deductions from your salary for the cost of the leave.
- Take responsibility for managing your own leave to ensure that all your leave, additional purchased leave and annual leave, is taken before the end of the leave year.
- If applying for another job with the council inform the recruiting manager that you have an arrangement for additional leave in place.
- Ensure you fully consider the financial implications of the monthly deductions from your salary.
- Ensure you fully consider the implication for your pension and make sure you understand the options to buy back lost pension entitlement.

#### **Line manager responsibilities**

- Ensure employees have been given the opportunity to request their standard annual leave prior to agreeing any purchases of annual leave. This means that the booking of standard annual leave takes precedence over purchased annual leave.
- Assess the request taking into account service needs and the ability for additional leave to be accommodated within the employee's leave year.

- Discuss the application with your employee and if necessary discuss the possibility of alternative dates.
- Assess all applications at the end of the application window period. If there is a difficulty with requested dates discuss the possibility of alternative dates with individual employees.
- If a number of your employees want the same periods of leave you could discuss the situation with your team to see if a compromise can be reached.
- Treat all applications equally. On HR Direct there is guidance and information on Equality and diversity.
- Ensure proper management of the employee's leave throughout the year in order to ensure that all leave including additional purchased leave is taken prior to the end of the leave year.
- If you are unable to approve the request explain the reasons to your employee and clearly outline these on the application form.

39. Complete the application form and send to [policyandreward@wiltshire.gov.uk](mailto:policyandreward@wiltshire.gov.uk)

### **HR responsibilities**

- Provide guidance to line managers on queries relating to this policy.
- Carry out eligibility checks to ensure employees earn at least the national minimum wage after the deductions for annual leave.
- Email the manager and the employee to confirm if they meet with the minimum requirements and their application can proceed or not.
- Forward approved applications to payroll for processing.

### **Frequently asked questions**

**40. What happens if my job, hours or salary changes prior to me taking the additional leave?**

Your arrangement for purchased annual leave is based on your contractual hours at the time of the application window closing date. If subsequently you change jobs or working hours your monthly deductions will remain the same and will not be adjusted. You need to take this into consideration when applying to purchase additional annual leave.

**41. Can I change the dates of my leave after they have been authorised?**

42. Once your request for purchased annual leave has been approved leave it is a binding agreement. If you fail to take the leave at the agreed time the leave will be lost with no reimbursement. Only in exceptional circumstances will consideration be given to changing your dates if you are able to agree with your manager a mutually convenient time to take the leave within the leave year.

**43. Can I change my mind after purchasing extra leave or change the amount of leave I purchase?**

No, once you have requested the extra leave and it has been agreed you are committed to purchasing and using the leave, or you will lose it.

**44. Why can't I take individual days of leave rather than in blocks of 5 or 10 days?**

Many of our employees have working patterns which vary from week to week and makes administering this kind of scheme and calculating the cost of an additional day complex. We need to keep the process as simple as possible and that is why this scheme can only be used for blocks of 5 or 10 days, pro rata for part time. An employee can use their standard annual leave entitlement for taking an individual day's leave.

**45. I started mid-way through the year and therefore did not have the opportunity to apply for additional leave. Can I do so now?**

No, applications for purchased annual leave can only be made during the application window. You will need to wait for the next application window before you can apply.

**46. I am currently in receipt of a tax credit (working tax credit, child tax credit or universal credit) will this be affected?**

You may be affected and you are advised to contact HM Revenue and Customs on their helpline 0845 300 3900 to check your personal circumstances.

**47. What effect will reducing my national insurance contributions have?**

As your NI contributions will be reduced this may affect statutory benefits based on NI contributions such as maternity, adoption, paternity, sickness, incapacity and the state pension. You should take this into account when making decision regarding purchasing extra additional annual leave.

**48. Can I carry any unused purchased leave over to the next year?**

No, if you don't use all your purchased leave within the scheme period for which it was agreed you will lose it and not be reimbursed.

**49. Can I 'sell' any unused purchased leave?**

No, selling annual leave is not part of the scheme.



**50. Can my manager refuse my purchase of annual leave and can I appeal against the decision?**

Managers will be encouraged to agree the purchase of annual leave wherever possible. If this is not possible they should discuss alternative dates with you before making a decision to refuse your request. However, your manager is able to refuse your request if service delivery will be impacted. There is no right of appeal should a manager refuse your request but they will need to clearly outline why it has been refused.

**51. Why do you need to know when I want to take the additional leave?**

Your manager will need to know the dates in order to assess whether they are able to let you take the additional leave taking into account the impact on service delivery and also the numbers of other staff already on leave in the team.

Your manager will need to ensure that staff who are requesting to book their standard annual leave take precedence over those wishing to purchase additional annual leave.

It is therefore important that all staff request their standard annual leave dates as early as possible each year.

**Definitions**

**Equal Opportunities**

This policy has been Equality Impact Assessed ([link to EIA for policy](#)) to identify opportunities to promote equality and mitigate any negative or adverse impacts on particular groups.

***If appropriate:***

Managers will make any necessary adjustments to ensure that all employees are treated fairly. For further information see the guidance on equal opportunities in ([link to equal opps guidance](#))

**Legislation**

This policy has been reviewed by an external legal organisation to ensure compliance with (the above legislation and) our statutory duties.

**Advice and guidance**

If you require help in accessing or understanding this policy [\[or completing any of the associated forms\]](#) you should contact your line manager or trade union representative if you are a member.

If, due to the nature of your query, it is not appropriate to contact your line manager you should contact your head of service who will nominate an appropriate manager or colleague to help you.

See [guidance for managers – giving advice on policies](#).

### **Further information**

There are a number of related policies and procedures that you should be aware of including:

- [Annual leave and bank holiday entitlement policy](#)

For further information please speak to your supervisor, manager, service director or contact your [HR case adviser](#).

Policy author	HR Policy and Reward Team – (MR)
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