acas working for everyone

Holiday entitlement

1. How much holiday someone gets

Employees have the right to 'statutory annual leave' (paid holiday).

This is the case whether they work:

- full time
- part time
- under a zero-hours contract

The number of days' holiday someone gets depends on:

- how many days or hours they work
- any extra agreements they have with their employer

Employees 'accrue' (build up) holiday from the day they start working, including when they're on:

- a probationary period
- sick leave
- maternity, paternity, adoption or shared parental leave

Statutory paid holiday

By law, employees are entitled to 5.6 weeks' statutory paid holiday a year. Bank holidays might be included in this paid holiday. Employees should check their contract if they're not sure.

The amount of time off someone gets depends on their circumstances.

For example, to work out someone's holiday entitlement in days, multiply the number of days they work each week by 5.6. If they work 5 days a week, their statutory paid holiday is 28 days a year (5 x 5.6).

Statutory paid holiday is limited to 28 days. For example, if someone works 6 days a week they're still only entitled to 28 days' paid holiday.

Part time

Employees who work part time are still entitled to 5.6 weeks' statutory paid holiday. The entitlement will be in proportion to the hours they work. This is because <u>part-time workers</u> cannot be treated less favourably than full-time workers.

For example, if someone works 3 days a week, they're entitled to 16.8 days' paid holiday a year (3 x 5.6) .

If an employer gives full-time employees more paid holiday than the legal minimum, they must give part-time employees more than the legal minimum.

If someone is employed for less than a year

An employee is entitled to a proportion of a full year's holiday entitlement if their employment contract:

- lasts for less than a year
- ends part way through a holiday year

For example, Jo starts employment on 1 January. They work 5 days a week and get the statutory 5.6 weeks' holiday entitlement. Their employment ends after working for 26 weeks. They would have accrued 14 days of holiday at the point their employment ends.

Irregular hours workers and part-year workers

There are specific rules about holiday for irregular hours workers and part-year workers.

Find out more about holiday for irregular hours workers and part-year workers

Holiday for someone who is self-employed

Someone who is self-employed is not usually entitled to paid holiday.

However, contractors or freelancers working through an agency should check their employment status. Their employment status will affect what they're entitled to.

Find out more self-employment

Enhanced or contractual holiday

It might be written in the contract that an employee gets more than statutory holiday entitlement. This can be called 'enhanced' or 'contractual' holiday entitlement.

Holiday that's less than a full day

An employee's holiday entitlement might include 'part days'. For example, someone might get 11.2 days of holiday because they work work 2 days a week. The employee should ask their employer how to use the part day.

For example, an employee could agree with their employer to leave early or come in late to use the part day.

Employers cannot round down part days. During the first year of employment, employers must round up part days to the nearest half day. After that, they can choose to round them up, but they do not have to.

Holiday calculator

To work out how much holiday someone gets, use the holiday calculator on GOV.UK.

If someone's not sure how much holiday they should get

If an employee is not sure what their holiday entitlement is, they can:

- talk with their manager, someone in HR or their employer
- check their written statement of employment particulars

Contact the Acas helpline

If you have any questions about holiday entitlement, you can contact the Acas helpline.

2. Calculating holiday pay

When an employee takes holiday, they should get the same pay when they're on holiday as when they're at work.

Some employers might offer better holiday pay schemes. Employees should check their contract.

Holiday pay calculations can be based on:

- days or hours worked per week
- casual or irregular hours
- shifts

Holiday pay is based on weekly pay, so it's helpful to work this out first.

How to calculate a week's pay

For calculating holiday pay, a week usually starts on a Sunday and ends on a Saturday.

An employee's holiday pay should be calculated from the last full week that they worked. This can end on or before the first day of the employee's holiday.

Another 7-day period should only be used if that's how the employee's pay is calculated.

For example, an employee's pay is calculated by a week ending on a Wednesday. They should treat a week as starting on a Thursday and ending on a Wednesday.

Calculating holiday pay for different working patterns

How to calculate someone's holiday pay depends on their working pattern.

Fixed hours

If an employee's working hours do not vary, their holiday pay will be calculated using their usual pay rate. This is the case whether they work full time or part time.

For example, an employee works 37 hours every week and gets paid £400 a week. When they take a week's holiday, they must get paid £400.

Irregular hours workers and part-year workers

There are specific rules for working out holiday pay for irregular hours workers and part-year workers.

Find out more about holiday pay for irregular hours workers and part-year workers

In the first year of a job

In the first year of their job, an employee might be able to take paid holiday before they've 'accrued' it (built it up). They must agree this with their employer. For example, an employer might agree to an employee taking holiday soon after they start their job.

What holiday pay must include

By law, holiday pay must include:

- payments linked to doing tasks required in the contract, for example commission
- payments related to professional or personal status, for example for length of service, seniority or professional qualifications
- other payments, for example overtime payments, if an employee has regularly been paid these during the last year

Employers must include any relevant payments in at least 4 weeks of holiday pay.

Some employers might include these payments in the full 5.6 weeks' paid holiday (statutory annual leave), but they do not have to.

Rolled-up holiday pay

Employees must get paid for their holiday when they take it. If an employer spreads holiday pay over the year by adding an amount on top of their employees' hourly rate, this is known as 'rolled-up' holiday pay.

Employers must not do this unless a worker is covered under the new rules for irregular hours workers and part-year workers.

Leave years starting on or after 1 April 2024

For leave years starting on or after 1 April 2024, employers can choose to use rolled-up holiday pay. This applies to irregular hours workers and part-year workers only.

Find out more about rolled-up holiday pay for irregular hours workers and part-year workers

If someone thinks their holiday pay should be different

If an employee thinks their holiday pay should be different, they should check their contract. It might make clear:

- · how their pay is calculated
- whether the employer offers more than the legal minimum paid holiday

Employees should talk with their employer if:

- they think they're not getting as much paid holiday as they're entitled to
- · they're not sure how their holiday pay is being calculated

Find out about how to raise a problem at work

Making a legal claim

If an employer does not correct a problem with holiday pay, an employee could make a claim to an employment tribunal.

There are strict time limits for making a claim to an employment tribunal.

In most cases, an employees has 3 months minus 1 day from the date of the most recent wrong holiday payment.

Find out more about:

- making a claim to an employment tribunal
- employment tribunal time limits

Contact the Acas helpline

If you have any questions about calculating holiday pay, you can contact the Acas helpline.

3. Asking for and taking holiday

Employers and employees should communicate early and clearly about taking holiday. This can help keep a positive working relationship.

When to ask for holiday

Employees should ask for their holiday dates as far in advance as possible, This is so the employer can make any arrangements needed.

Employees should ask for holiday at least twice the amount of time beforehand as the amount they want to take off. For example if an employee wants 10 days off they'll need to ask at least 20 days before.

This is unless their employment contract says they must give more notice.

When to take holiday by

An employer can set a fixed start and end date for when employees should take their holiday entitlement in each year. This is called the 'leave year'.

If an employer has set a leave year, they should:

- tell employees
- write it in the contract terms or another agreement document

For example, an employer might set the leave year to start and end alongside the financial year - 1 April to 31 March each year.

If an employer has not set a leave year, it begins from the day the employee started working for the organisation.

Employees should take their statutory 5.6 weeks' holiday entitlement during the leave year.

In some circumstances, employees can carry over their holiday into the next leave year. Find out more about carrying over holiday.

Refusing or cancelling holiday

An employer can refuse or cancel holiday. They must let the employee know beforehand by at least the same amount of time as the amount they requested.

For example, an employee asks their employer for 7 days off. The employer later realises they'll be too short-staffed that week so they need the employee to work. The employer must tell the employee they need to cancel the time off at least 7 days before it was due to start.

An employer should have a good business reason to refuse or cancel a holiday request.

They should consider that refusing or cancelling holiday could affect their relationship with employees. It could have a particularly negative effect if the employee has already booked and paid for a holiday.

An employer cannot refuse to let employees take any holiday at all. By law, an employer must make sure employees can take the amount of holiday they're entitled to during the year.

Making employees take holiday

An employer can make employees take:

- holiday days when it suits the employer, for example if the organisation shuts down over Christmas
- unpaid leave at times, if it's agreed in the contract

If an employer needs employees to take holiday on certain dates, they should give them advance notice. The employer should tell employees at least twice as many calendar days before as the number of days they need the employees to take.

For example, an employer wants employees to take 5 days of holiday while they're closed over Christmas. They should employees this at least 10 days before the holiday starts.

Holiday when starting a job

Employees start to 'accrue' (build up) holiday entitlement as soon as they start a job.

In the first year of a job an employer might use an 'accrual system'. This is where holiday is calculated as you go along.

For example, an employee builds up one twelfth of their holiday each month. By the start of the third month, they can take a quarter of their holiday.

Employers could allow employees to use holiday throughout the first year before they have accrued it.

After their first year of employment, employees do not have to accrue holiday. They can use their full statutory holiday entitlement from the start of their leave year.

Holiday when leaving a job

During their notice period, an employee might be able to take any holiday they have accrued.

This will depend on whether:

- they can give the right amount of notice to ask for holiday
- their employer lets them take the holiday

Alternatively, the employer might ask the employee to take the holiday before they leave.

How much holiday an employee has depends on how far through the leave year they end the job.

If an employee has any holiday entitlement left when they leave, their employer must add this holiday pay to their final pay. This is sometimes called 'payment in lieu' of taking holiday.

An employee might have taken more holiday than their entitlement by the time their job ends. In this situation, the employer can take money from their final pay. This must be agreed beforehand in writing. This is sometimes known as a 'payback clause'.

Find out more about holidays and final pay

Managing holiday

To manage holiday effectively, employers should:

- communicate clearly and early with employees about any rules or restrictions on holiday
- follow their organisation's policy
- be open, fair and consistent

If an employer does not manage holiday effectively, they could risk:

- causing work-related stress for their employees
- creating an unhealthy work environment
- facing legal claims employers have a legal responsibility to make sure employees can take the holiday they're entitled to

Unpaid leave

An employee can ask their employer for unpaid leave if:

- they have run out of holiday
- they do not want to use their holiday entitlement

It's up to their employer whether to agree to it. The employee can explain the reason for their request. The employee and employer should try to come to an agreement together.

Employees should check their contract to see if it covers unpaid leave and how to request it.

If there's a problem with taking holiday

If an employee has a problem with taking holiday, it's a good idea to raise this informally first. They can do this by <u>talking to their</u> employer.

The employer should take the employee seriously, and take steps to deal with the problem.

If raising it informally does not resolve the problem, the employee can <u>raise a grievance</u>. This is where they make a formal complaint to their employer.

Contact the Acas helpline

If you have any questions about holiday entitlement, you can contact the Acas helpline.

4. Carrying over holiday

Employees can carry over some of their statutory 5.6 weeks' holiday entitlement if:

- · there's a relevant agreement that allows it
- they're on long-term sick leave
- their employer fails in their legal responsibility and does not let them take all the holiday they're entitled to

Employees can carry over all of their statutory 5.6 weeks' holiday entitlement if they cannot use it because they're on statutory leave. For example, they're on maternity leave.

If there's a relevant agreement

Employees can carry over some of their statutory 5.6 weeks' holiday entitlement if there's a relevant agreement that allows it.

A relevant agreement can be one of the following:

- a workforce agreement, which is made between an employer and employee representatives
- a collective agreement, which is made between a recognised trade union and an employer
- an agreement that can be legally enforced between an employee and an employer, for example an employment contract

If there's no relevant agreement, employees must take the 5.6 weeks' holiday entitlement during the leave year. This is unless there's a good reason why they cannot use their holiday. For example, this could be if they're on long-term sick leave or maternity leave.

If an employee gets more than the legal minimum 5.6 weeks, their contract should say if they can carry over holiday and how much.

Covid and carrying over holiday

In 2020, the government introduced a law allowing employees to carry over up to 4 weeks' holiday into their next 2 holiday years. This law applied for any holiday an employee did not take because of covid-19 (coronavirus).

From 1 January 2024, this law no longer applies. Employees must use any holiday they've carried over by 31 March 2024. If an employee leaves their job before 31 March, their employer must pay them for this holiday.

Long-term sick leave

If an employee is on long-term sick leave, they can carry over a maximum of 4 weeks' holiday entitlement. They must use it within 18 months starting from the end of the leave year in which they accrued it.

Find out more about sick pay and holiday pay

If an employee cannot use holiday because of statutory leave

An employee might not be able to use their holiday entitlement because they're on statutory leave. For example, they're on maternity leave.

In this situation, they must be allowed to carry the holiday over to the next leave year. Employees should arrange this with their employer as early as possible.

If an employer does not let someone take all their holiday

Employers have a legal responsibility to make sure employees can take the holiday they're entitled to.

By law, an employee can carry over holiday if their employer:

- does not let them take all their holiday or does not encourage them to take it all
- · does not inform an employee that they will lose any holiday they do not take

In these circumstances, they can carry over a maximum of 4 weeks' holiday entitlement.

Encouraging employees to take holiday

Making sure employees take holiday can:

- improve productivity
- reduce unplanned sickness absence
- improve staff retention
- improve working relationships

To encourage employees to take holiday, employers could:

- have a policy that sets out clearly that employees will lose holiday they do not take
- · cover this in training for managers
- send out email reminders to employees
- remind employees to take holiday in one-to-one and team meetings
- make clear on any forms or systems for booking holiday that employees will lose holiday they do not take

Employers could also consult with employees and any trade unions on the best way to communicate about this.

If an employee cannot take all their holiday for another reason

An employee might not be able to take their full holiday entitlement for another reason and be worried about losing it. They should talk to their employer and try to reach an agreement.

Irregular hours workers and part-year workers

There are different rules about carrying over holiday for irregular hours workers and part-year workers.

Find out about carrying over holiday for irregular hours workers and part-year workers

Contact the Acas helpline

If you have any questions about carrying over holiday, you can contact the Acas helpline.

5. Bank holidays and Christmas

Whether an employee has to work on bank holidays is up to their employer. It might depend on the industry they work in. For example, restaurants and hotels might be more likely to be open on bank holidays.

A bank holiday might fall on a day that an employee does not usually work.

Employers should:

- tell employees the organisation's rules for bank holidays especially if they're new, or they're changing from full-time work to part-time or shift work
- regularly discuss with employees how upcoming business closures or busy periods might affect holidays they plan to take

Check which days are bank holidays on GOV.UK.

Checking if bank holidays are included in holiday entitlement

An employer can include bank holidays in the statutory minimum 5.6 weeks' paid holiday. Some employers might give bank holidays in addition to the statutory minimum.

This is the same whether an employee works full time or part time.

Employees should check their employment contract to find out if bank holidays are included in their paid holiday entitlement.

In some circumstances, extra bank holidays are announced. Whether an employee is entitled to the extra days off will depend on their contract.

If an employer changes when they open or close

An employer has the right to make changes to when employees take holiday if they need to.

For example, they can decide to shut over Christmas and tell their employees to use some of their holiday entitlement. This is the case even if in previous years the business was open over Christmas.

If an employer needs employees to take holiday, they should tell them at least twice as many days before as the amount of days they need them to take. This is calendar days, not working days.

For example, if they need employees to take 2 days of holiday, they should tell them at least 4 days before.

Changing terms in a contract

Before making a change to the way employees take holidays, an employer should check their employment contracts. They should consider whether any terms have been implied by custom and practice. This is where well-known terms have formed over a long time.

If an employer is making significant, long-term changes they must follow the process for changing an employment contract. For example, if they're changing the number of holiday days employees get.

Find out more about:

- types of terms in a contract
- changing an employment contract

Bank holidays on days someone usually works

Employers can make employees take a bank holiday as part of their holiday entitlement if:

- the bank holiday falls on a day they usually work
- · the workplace is shut or business stops on that day

The employer must either:

- make this clear in the employment contract
- give the employees notice that the day needs to be taken as part of their holiday entitlement

If someone wants to work on a bank holiday

An employee might not want to take the day off on a bank holiday.

They could ask their employer if they can work the bank holiday and take another day off instead.

This is taking a day's holiday 'in lieu'. The employer does not have to agree to this.

An employee cannot get paid in lieu of bank holidays. This is unless they're part of holiday entitlement they have not used when they leave their job.

If an employee works on a bank holiday, they must still get their full 5.6 weeks of statutory holiday entitlement as paid time off.

Bank holidays on days an employee does not usually work

A bank holiday might be on a day an employee does not usually work. For example, if someone works part-time and does not work on Mondays.

In this situation, the employer cannot make the employee use that day as part of their holiday entitlement.

Example of bank holidays falling on non-working days

Ali works 3 days a week, including Mondays. Jo also works 3 days a week but does not work on Mondays.

They both get the statutory 5.6 weeks of holiday. This includes bank holidays. They both get 16.8 days' holiday per year. Their employer closes the business on bank holidays.

As more bank holidays fall on a Monday, Ali has to use more of their holiday entitlement for bank holidays than Jo.

Bank holidays when off sick or on statutory leave

If they're included in their holiday entitlement, an employee still builds up paid days off for bank holidays while on:

- sick leave
- maternity leave
- paternity leave
- adoption leave
- shared parental leave
- ordinary parental leave
- parental bereavement leave
- carer's leave this right comes into effect on 6 April 2024

Find out more about holiday when on statutory leave or off sick

Contact the Acas helpline

If you have any questions about bank holidays and Christmas, you can contact the Acas helpline.

6. Statutory leave and sickness

Employees still 'accrue' (build up) holiday when they're:

- on statutory leave
- · off work because of sickness or injury

Statutory leave

Employees still accrue holiday entitlement while on statutory:

- maternity leave
- paternity leave
- adoption leave
- shared parental leave
- ordinary parental leave
- parental bereavement leave
- carer's leave this right comes into effect on 6 April 2024

When an employee knows they're going to be taking statutory leave, they should discuss with their employer:

- how much paid holiday they'll accrue before and during the planned statutory leave
- when they're going to take their accrued holiday
- how much they can carry over, if appropriate
- if they have contractual holiday entitlement, whether they can get paid instead of taking the days that are additional to statutory

Sickness

Find out more about sick pay and holiday pay, including advice on:

- taking holiday while off sick
- if an employee gets sick while on holiday
- · accruing holiday entitlement while off sick

Irregular hours workers and part-year workers

There are specific rules about how irregular hours workers and part-year workers accrue holiday when off sick or on statutory leave.

Find out more about accruing holiday during sickness or statutory leave for irregular hours workers and part-year workers