

Policy Info Pages

Selling Holiday

The organisation may allocate annual leave entitlements over the statutory requirement of 5.6 weeks leave per year. It is recognised, however, that some employees may wish to take shorter periods of annual leave and for this reason the organisation operates a policy of allowing employees to "sell" some holiday entitlement, subject to certain conditions.

Conditions for selling holiday

The conditions for employees to sell holiday are as follows:

- The organisation's holiday year runs from January to December.
- The maximum amount of annual leave that an employee may "sell" in any one holiday year is up to 5 days for a full time employee. This is because no employee can sell holiday that results in his/her being entitled to less than the statutory minimum paid holiday each year as this would be in breach of the Working Time Regulations 1998 everyone must take 5.6 weeks annual leave if working full time.
- An employee who wishes to sell some of his/her holiday entitlement must apply in writing to his/her line manager and the HR department.
- Applications for selling holiday entitlement must be received no later than October 1st in respect of the current holiday year.
- The organisation reserves the right to refuse an employee's application to sell holiday. In respect of a request to sell holiday, management may decline to agree if, in their opinion, it would not be in the employee's best interests.
- Where an application has been received and approved, the employee will be notified in writing and the appropriate change to his/her pay notified to him/her. Provided written confirmation of this is received from the employee, the new rate of pay will be applied on the first day of the next month (unless the employee's final confirmation is received only before the 15th of that month, in which case the change to pay will be recalculated in the same month).

Adjustments to pay

Where an employee opts to sell annual holiday, this will result in an enhancement to his/her monthly salary for the nominated amount as a one off payment. For monthly paid employees, the calculation for selling holiday will be arrived at by:

- dividing the employee's annual salary by 52 to determine his/her notional weekly pay and daily by dividing by normal hours/days worked in a week;
- multiplying this figure by the number of hours/days the employee wishes to sell;
- adding that figure to the employee's normal monthly salary;

If an employee leaves employment and has not accrued the annual leave amount but has either taken or has sold the leave entitlement this will be rectified in the final salary by deduction.