



Human Resources **Absence**

# Line Managers Guide: Buying Holiday



Essex County Council

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## **The aim of this guide**

To provide line managers with an overview of how buying additional holiday works and their role in supporting the organisations objectives for introducing this benefit.

# An introduction to buying additional holiday

## How buying holiday works

Buying holiday works by offering employees the opportunity to buy up to five days additional holiday each holiday year.

Buying holiday is a salary sacrifice arrangement. It is called a salary sacrifice arrangement because employees agree to give up or 'sacrifice' part of their salary in exchange for the additional holiday. Because the salary is exchanged before tax and national insurance are deducted there are savings for both the employee and the employer.

Up to five days additional holiday can be bought each holiday year. There are two 'windows' each holiday year for buying additional holiday. These are 1 – 24 March and 1 – 24 September.

The cost of buying the additional holiday is spread equally over the remaining holiday year, so if additional holiday is bought during the March 'window' the cost will be spread over 12 months and if the additional holiday is bought during the September 'window' the cost will be spread over six months.

The value of the holiday being purchased will be based on the employee's annual salary in either April if the March 'window' is used or October if the September window is used. Each day of holiday is valued at 1/260<sup>th</sup> of the employee's salary.

Once the additional holiday is bought it should be treated in the same way as usual holiday. For example, holiday needs to be agreed and booked in the usual way. Any limits you have on carry over will remain the same. And if an employee decides to leave ECC, their holiday will be calculated pro-rata based on their leaving date.

Once the additional holiday has been bought there will be no opportunities for the employee to change their mind or request a refund.

## Who can buy holiday

Employees who have term time contracts, or contracts that are less than 12 months are not eligible to buy additional holiday.

If the change to the employee's contractual pay takes them below the National Minimum Wage (NMW) the application will not be processed. This is because we are not able to pay any employee below the NMW, even at their request.

## The benefits of buying holiday

Buying additional holiday has benefits for employees and the organisation.

The employee benefits are:

- It gives employees the flexibility to adjust the number of holiday days to suit them.
- The cost of buying the holiday is spread equally over the holiday year.

- Tax and national insurance savings.

The organisational benefits are:

- Savings on salary costs and national insurance payments.
- Reduced absenteeism.
- Mitigating redundancies.
- Increasing engagement and productivity.

## The role of the line manager

Your role in the buying of additional holiday is to:

- Encourage employees to talk to you about the possibility of them using this benefit.
- Encourage the take up of this benefit.
- Manage any multiple requests, providing solutions and helping employees accept possible compromises.

We have pulled together some 'how to' practical hints and tips for the 'always' and 'sometimes' responsibilities over the next page.

## ‘Always’ and ‘sometimes’ responsibilities

‘Always’	‘How to’ practical hints and tips
<b>Familiarise yourself with all the buying holiday information available on the intranet and the ‘my ECC total reward’ website</b>	<p>It is likely that you will be the first point of contact for many of your employees questions about buying additional holiday so it may be useful for you to familiarise yourself with all the information available.</p> <p>There is an employee guide to buying holiday on the ‘my ECC total reward’ website, which includes a little more detail about salary sacrifice agreements as well as this line manager guide to buying holiday.</p>
<b>Check to see if your service has changed the scope of eligibility</b>	<p>Employees who have term time contracts, or contracts that are less than 12 months are not eligible to buy additional holiday. However, your service may have decided to add to these exclusions.</p> <p>If you are not clear about the scope of eligibility for buying additional holiday in your service, then contact your line manager for support and guidance before you talk to your employees.</p>
<b>Encourage employees to think about whether they would like to buy additional holiday</b>	<p>Employees can buy up to five additional days’ holiday per holiday year. They will have two ‘windows’ each holiday year to buy additional holiday.</p> <p>It is important that you encourage your team to think about whether or not they would like to use this benefit before the ‘windows’. This will give employees time to discuss this benefit with their families and to give you and your team time to consider how to cover the additional holiday.</p> <p>You may want to consider having a regular slot at team meetings to encourage employees to think about making the most of this benefit.</p>
<b>Encourage employees to talk about the effect of their additional holiday with their colleagues</b>	<p>It is important that employees understand and consider how buying additional holiday could impact on service delivery and their colleagues. You may want to consider encouraging your team to provide solutions and propose compromises.</p> <p>You may want to consider having a regular slot at team meetings to help encourage this sort of discussion.</p>



'Always'	'How to' practical hints and tips
<b>Give full consideration to all requests for buying additional holiday</b>	<p>The organisation has introduced this benefit to give employees more flexibility and to make savings. Savings gained from buying holiday could help mitigate redundancies and lessen the need to find savings in other areas.</p> <p>Other areas you may want to consider are:</p> <ul style="list-style-type: none"> <li>• Will there be any extra costs, for example, temporary cover?</li> <li>• When would employees like to take the additional holiday?</li> <li>• If five additional days is not practical, could four or three days work?</li> </ul>
<b>Answer employees questions honestly</b>	<p>It is likely that you will be the first point of contact for many of your employees questions. Always be honest in your responses and focus on the business rationale rather than your own concerns / opinions, this will help in your employees understanding of what is practical.</p>
<b>Seek further information / clarity if you are asked a question you are not sure how to respond to or answer</b>	<p>It is neither expected nor realistic to think that you will be able to answer every single question put to you. If an employee asks a question you are not sure how to respond to or answer – be honest and say you don't know the answer or that you need a bit of time to consider your response. Give the employee an idea about how long it will take you to get back to them and let them know if there is a delay.</p>
<b>Signpost employees</b>	<p>Inevitably you will get asked questions that you will not be able to answer, such as, <i>"will my entitlement to state benefits be affected?"</i></p> <p>In these circumstances, signpost the employee to relevant sources of help, such as the Working Tax Credit / Child Tax Credit helpline or the HM Revenue and Customs.</p> <p>You may also want to follow up with the employee to check that they did find the information they were after.</p>



'Sometimes'	'How to' practical hints and tips
<b>Discuss different options and solutions with your team</b>	It is important that you encourage your team to discuss this benefit before the 'windows' as it may not always be practical to support all your employees wanting to buy five days additional holiday. However, it may be possible to support part of the request, and having a little extra time to discuss this with your team will help their understanding of what is practical, as well as involving them in providing the solutions and compromises.
<b>Consider requests for buying holiday outside of the buying holiday 'windows'</b>	There are two 'windows' each holiday year for buying additional holiday. Ideally buying additional holiday will only happen during these windows but an employee's circumstances may change unexpectedly and they may find they need additional holiday outside of the 'windows'. In these circumstances you can consider requests and get access to the buying holiday application form by contacting HR Advice and Support.
<b>Provide information as part of a grievance investigation</b>	<p>There may be an occasion when an employee wishes to raise a concern about how buying additional holiday is managed.</p> <p>If differences cannot be resolved employees will be asked to use the grievance procedure.</p>

## Other support

### Holiday policy

Once additional holiday has been bought it should be treated in the same way as usual holiday.

The holiday policy is available from the intranet.

### HR Advice and Support

If an employee has a specific question that just relates to them, for example, their terms and conditions, or their employment status, then they can call or email the HR Advice and Support helpline.

Telephone: 03330 134 300

Email: [HRAdviceandSupport@essex.gov.uk](mailto:HRAdviceandSupport@essex.gov.uk)

### Corporate Operations, Payroll

If an employee has a question about their pay, for example, their current salary or SCP, then they can call or email the Corporate Operations, Payroll helpline.

Telephone: 03330 135 888

Email: [Service.Centre@essex.gov.uk](mailto:Service.Centre@essex.gov.uk)

### Your line manager

If, after reading this guide and checking all the support available you still have outstanding questions, then please contact your line manager.

**This document is issued by**

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