

**Workforce Directorate Policy W19 – Leave Policy**  
**Chapter 2: Annual leave Procedure**  
**includes Flowcharts, FAQ and Relevant Forms/Paperwork**

**\*\* Special annual leave restrictions may apply during COVID-19 due to service need and travel restrictions. Please see Intranet FAQs to check current requirements\*\***

It is the policy of the Shrewsbury & Telford Hospital NHS Trust to ensure that staff have the opportunity to take their paid annual leave and general public holiday entitlement as defined by the NHS Terms and Conditions of Service Handbook within a framework that allows patient care to be delivered throughout the year.

This procedure applies as an overarching framework to all departments.

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*Please refer to Employee Wellbeing and Attendance Management Policy: [SaTH Intranet - HR Policies](#)*

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## Introduction

### 1. Who does this policy apply to?

This policy applies to staff employed on Agenda for Change Contracts (under NHS Terms and Conditions of Service Handbook), it does not apply to Medical and Dental Staff.

### 2. When does the leave year fall?

The leave year for staff covered by the NHS Terms and Conditions of Service Handbook is 1<sup>st</sup> April to 31<sup>st</sup> March.

## Leave Entitlement

### 3. If I am full time, what is my leave entitlement?

Section 13.1 of the handbook provides that all full time staff (where the full time hours for their staff group are 37.5 hours per week or 1 wte equivalent) have the following annual leave entitlement per annum:

	Annual Leave Days*	Public Holidays** Days	Total Days
On appointment	27	8	35
After 5 years NHS service	29	8	37
After 10 years NHS service	33	8	41

\* For the purpose of this calculation, one annual leave day is the equivalent of 7.5 hours.

\*\* There are 8 public holidays in each calendar year (January – December) but because our leave year runs April – March, the number of public holidays may vary depending on where Easter is placed.

### 4. If I am part time, what is my leave entitlement?

For members of staff working part time, the full time entitlement must be pro-rated in accordance with their contracted hours.

If you do not work standard shifts (7.5 hours) see calculation of leave section regarding the calculation of leave in hours.

### 5. How much of my NHS service is reckonable for the purpose of calculating my annual leave entitlement?

All proven NHS service is reckonable for the purposes of calculating the annual leave entitlement – regardless of the length of any breaks in that service. Information about employee's length of service is not held on ESR, but occasionally your manager may request to see proof of your service. Bank service is also reckonable where individuals can evidence they have worked a minimum of two shifts per month or the 488 hours per year that Temporary Staffing ask individuals to complete to remain active on the bank. This bank service where identified would be counted towards service for annual leave purposes when appointed to a permanent or fixed term post.

## Calculation of Annual Leave

### 6. Is my leave calculated in days or hours?

To ensure that all Trust employees have an equitable amount of annual leave, all annual leave and public holiday entitlements are calculated in hours not days, regardless of whether the member of staff is full-time or part-time. If a member of staff joins the Trust part way through the leave year they get a pro rata number of hours for Annual leave and public holidays based on the number of weeks left in the leave year and the number of public holidays remaining in the year, see question 10.

## 7. How do I calculate my personal annual leave and public holiday entitlement for a full year?

The formula you need to use is as follows:

$$\frac{\text{Your weekly contracted hours}}{5} \times \text{The Annual Leave/Public Holiday entitlement *in days* for a full time member of staff for a full year} = \text{Your Annual Leave/Public Holiday entitlement for the year *in hours**$$

Do all rounding at the end of the calculation. Then you can round up to the nearest 0.5 decimal point (i.e. the nearest half hour).

## 8. Is there a ready-reckoner with leave entitlements worked out?

Yes. Please see Appendix A and B.

## 9. How do I work out my annual leave if I have annualised hours, term-time only or other flexible employment contract?

Please contact the HR Advisory Team for advice on your specific circumstances.

## 10. How do I calculate my leave entitlement (annual leave and public holiday entitlement) if I join or leave the Trust during the leave year?

Your entitlement will be based on the number of weeks worked during the leave year and the number of general public holidays remaining in the current leave year from the date of joining, or the number of general public holidays that have already occurred in the case of a member of staff leaving.

Divide the annual leave entitlement (not including public holidays) for a full year by 52.14 and then multiply this by the number of full weeks the employee will be employed.

Do all rounding at end of the calculation. Then you can round up to the nearest 0.5 decimal point (i.e. the nearest half hour).

Some examples are below:

Example 1 – A member of staff working full time with over ten years' service would have 247.5 hours annual leave. They only work 12 weeks of the leave year, therefore they are entitled to

$$247.5 / 52.14 * 12 = 56.96$$

They leave on 24<sup>th</sup> June therefore they are entitled to four public holidays in addition to the annual leave above

$$7.5 * 4 = 30$$

A total leave entitlement of hours from 1<sup>st</sup> April until their leave date of 24<sup>th</sup> June, (56.96 + 30 = 86.96 rounded up to 87)

Example 2 - A member of staff works 25 hours per week, their joining date is 1<sup>st</sup> January and they are new to the NHS.

Their annual leave entitlement for a full leave year would be 135 hours (Appendix A).

As they started on 1<sup>st</sup> January, they are entitled to 12.5 weeks of annual leave

$$135 / 52.14 * 12.5 = 32.36$$

For 8 public holidays they would be entitled to 40 hours for a full leave year, however they are only entitled to one (1<sup>st</sup> January) due to their start date therefore  $40 / 8 = 5$

So, the total leave entitlement from joining on 1<sup>st</sup> January to 31<sup>st</sup> March will be  $32.36 + 5$  hours = 37.36 rounded to 37.5 hours.

For full leave years for part time staff please refer to the ready reckoner in Appendix B as part time staff accrue public holiday entitlement on a pro rata basis.

### **11. If I am leaving the Trust's employment, do I need to take all my leave entitlement for the leave year before I leave?**

If you leave the Trust's employment, the leave entitlement you would have been allowed up to your date of leaving will be calculated on a pro rata basis, see question 10.

If you have outstanding holiday entitlement on leaving, you will be paid the corresponding amount of money in your final salary payment.

If you have taken more than your pro-rata holiday entitlement, or you have sold back to the Trust more than your entitlement, this amount of money will be deducted from you in your final salary payment. If the amount of holiday you have taken equates to more money than your final salary payment, you will not receive your final salary payment. Refer to the Trusts Overpayments/Underpayments Procedure.

### **12. How do I calculate my leave for the year if I pass an anniversary of 5 or 10 years' NHS service during the leave year?**

You are entitled to one 52<sup>th</sup> of your annual entitlement for each completed week of employment in the leave year. If your annual entitlement changes during the leave year because you move across the boundaries for 5 or 10 years' NHS service, you will need to work out the number of complete weeks leave that relate to each and add them together.

In these circumstances, where the majority of a week falls under one length of NHS service, this is counted as a complete week.

Do all rounding at the end of the calculation. Then you can round up to the nearest 0.5 decimal point (i.e. the nearest half hour).

**Example 3** – Full time member of staff reaches 10 years' service on 1<sup>st</sup> July =

13 weeks at 5 years =  $217.5 / 52.14 * 13 = 54.22$

39.14 weeks at 10 years =  $247.5 / 52.14 * 39.14 = 185.79$

$54.22 + 185.79 = 240.01$  rounded to **240 hours**

Public Holiday entitlement is not affected by length of service so this remains as per the entitlement in Appendix B (60 hours) added to the above figure equates to **300 hours**

### **13. How do I calculate my leave for the year if my contracted hours change during the leave year?**

Your leave entitlement is based on the number of hours you are contracted for every week. If this changes, your leave entitlement for a full year will also change.

You will need to work out leave entitlement per week that relates to your contracted hours, then multiply that figure by the number of complete weeks you worked those contracted hours, and add them together to create a full 52.14 weeks' worth of leave.

In these circumstances, where the majority of a week is worked based on a certain number of contracted hours, this counts as a complete week.

Do all rounding at the end of the calculation. Then you can round up to the nearest 0.5 decimal point (i.e. the nearest half hour).

## **General Public Holidays**

### **14. How many public holidays are there, and where do they fall?**

There are eight Public Holidays in a normal leave year, although depending on the placement of the Easter holidays this can vary between six and ten. The dates of public holidays can be identified annually by referring to [direct.gov.uk](http://direct.gov.uk). Public holidays fall as follows:

- New Year's Day
- Good Friday
- Easter Monday
- May Day
- Spring Bank Holiday
- August Bank Holiday
- Christmas Day
- Boxing Day

### **15. When does a public holiday start and finish?**

For pay purposes, a public holiday starts and ends at midnight. Public holiday payments will be made in accordance with the number of hours worked during this period.

### **16. Will I always be able to take a day off on a public holiday?**

If your ward/department is open on a public holiday, you may not always be able to take the day of a public holiday as leave. You may be asked to work on in accordance with your normal working pattern or rota and use your public holiday leave entitlement on another day.

If your ward/department normally closes on public holidays, you must take that public holiday as paid holiday deducted from your public holiday leave entitlement. Your manager may agree to you working an alternative day or area and not deduct hours from your entitlement if the service needs support this.

## **Booking Annual Leave**

### **17. How do I book my annual leave?**

All annual leave requests should be made to your line manager in accordance with your ward/department's local method (paper forms, e-Rostering etc.). Your leave request is only approved once your line manager has contacted you and authorised it. An example Leave Booking Sheet is included at Appendix C.

### **18. How many hours do I deduct from my leave entitlement?**

Booking a Week – regardless of shift patterns if a member of staff wishes to be absent from work on annual leave for a week, the number of hours deducted from their leave entitlement will equal their weekly contracted hours.

Booking a day or less than your working full week – the number of hours recorded should either:-

- Equal the standard shift length for the department/individual (e.g. 11.5 hours for long shift on wards)
- or
- Equal the number of hours the individual would have been rostered to work.

### **19. What is a week?**

- For pay purposes, the week is defined as a 7 day period, commencing with a Sunday.
- For leave purposes, a week is your contracted weekly hours – so a week off will include your working days and normal non-working days. The deduction from your leave entitlement should be your weekly contracted hours.

### **20. Can I always take my leave when I want to?**

Your line manager will approve leave subject to departmental circumstances and work pressures, and may seek to allocate leave in order to make sure everyone fits their entitlement in over the course of the leave year.

### **21. How much notice do I need to give when requesting leave?**

Your ward/department may have some local rules about this, so please check with your line manager.

### **22. Is there a minimum amount of leave I must take at any one time?**

There is no minimum as annual leave is calculated and taken in hours.

### **Carry Over of Leave between Years**

#### **23. Do I have to take all my leave every leave year or can I carry over some of my annual leave between leave years?**

You must take the equivalent of at least 28 days holiday (including Public Holidays) each leave year – pro-rated for joiners/leavers within the leave year and for part-time staff. This is the statutory minimum requirement set out in the Working Time Regulations.

The Trust prefers you to take all your contractual paid leave entitlement for the year within that year, because it is important for your health and wellbeing that you take enough rest. In exceptional circumstances your manager may allow you to carry over annual leave equivalent to your contracted weekly hours into the following leave year. It is expected that any carried over leave will be taken as soon as possible in the new leave year, and definitely before the end of June. However please see below regarding Corona Government Agreement.

The Trust would not expect to see regular requests to carry forward leave.

You must discuss this with your line manager as soon as possible, because the overall ward/department roster will be affected.

Your line manager has the discretion to decide whether they will approve your request to carry leave forward.

If you would like to sell back some of your leave entitlement – please refer to the Trust Process for Buying and Selling Leave, in Appendix D.

**N.B. CORONA GOVERNMENT AGREEMENT** - The government has introduced new temporary statutory rules to deal with COVID-19 pressures. Therefore if you are unable to take your annual leave entitlement due to COVID-19, you can carry over up to 20 days (pro-rated for part-time staff) of annual leave over a two year period into leave years 2021/22 and 2022/23. The following should be noted:

- if you cannot take bank holidays off due to COVID-19, you should use the annual leave at a later date in the current leave year
- if this is not possible, bank holidays can be included in the 20 days' annual leave that can be carried over.

Managers are encouraged to discuss annual leave with their staff to try and support as much leave as possible to balance the needs of the service with the employee's wellbeing, allowing for rest and recuperation using their annual leave.

**24. What if I booked to take my leave in the final three months of the last leave year and my manager asked me to cancel it because of the demands of the service?**

In these circumstances you are entitled to carry over that annual leave into the following leave year. It will be deemed to be the first annual leave taken in the new leave year and it is expected that you will take it by the end of June in the new leave year. – Please note question 23 for leave years 2021/22 and 2022/23.

**25. What if I have more leave to carry over than I am allowed to have?**

Unfortunately, this leave will be lost – unless you had booked to take it in the final three months of the last leave year and your manager asked you to cancel it because of the demands of the service or you have made a request to sell it (refer to Appendix D) and this has been agreed in the timescales outlined in the process.

**Buying/Selling Annual Leave**

**26. Can I request to buy or sell some of my annual leave entitlement?**

Yes, please refer to Appendix D.

**Accruing Annual Leave during Other Types of Leave**

**27. How is leave accrued during maternity, paternity and every other sort of leave?**

See the relevant frequently asked question document for the type of leave you are taking.

**28. Do I accrue annual leave during any unpaid leave?**

No, there is no entitlement to accrue either the statutory minimum or the contractual annual leave entitlement during extended periods of unpaid leave (i.e. during unpaid leave of one month or longer) with the exception of during unpaid periods of sickness absence, maternity leave or parental leave). This does not apply to short periods of Special Leave and occasional days of unpaid leave agreed by the manager.

**Failure to Return from Leave**

**29. What happens if in exceptional circumstances I cannot get back from leave?**

If, in exceptional circumstances, you are unable to return from leave on the date agreed, you must contact your line manager as soon as possible to discuss the situation. Depending on the circumstances (flight delay, natural disaster, illness etc.) and expected length of additional absence, your line manager may require you to take additional leave from your paid holiday entitlement or take unpaid leave, time in lieu or special leave. Please refer to the Special Leave Policy Chapter.

If you do not return from leave on the date agreed and you do not make contact with your line manager to discuss this, your absence will be treated as unauthorised. It is recognised that in exceptional circumstances contact could be delayed but this is expected to be rare.

**Unauthorised Absence**

**30. What happens if I am absent from work without my line manager's permission?**

We will normally consider this to be unauthorised absence, which is breach of your contract of employment and will usually be regarded as gross misconduct. It may result in disciplinary action being taken against you – which could result in the termination of your employment with the Trust. It is recognised that exceptional circumstances may apply however this is expected to be rare.

You will not accrue leave entitlement during periods of unauthorised absence and you will not be paid for any days/hours where you are on unauthorised absence

**Withdrawal of Approval/or Cancellation of Annual Leave**

**31. Can my manager withdraw approval for my annual leave?**

In *very rare and exceptional circumstances*, the Trust reserves the right to withdraw approval for annual leave should the needs of the service warrant it.

Because it is so unusual, each case must be referred to the Human Resources Advisory Team for advice. Your line manager will make every effort to minimise the inconvenience for you, including

reimbursement for any unavoidable documented financial loss incurred in respect of your holiday expenses. Your line manager will ensure that the lost annual leave will be available to be taken in full at a later date at a time to be mutually agreed.

**32. Can I withdraw a leave application once it has been made/approved?**

If you want to do this you need to talk to your line manager as soon as possible. They have the discretion as to whether to agree to your request, taking into account the needs of the service and the effect on the ward/department roster.

**Sickness and Annual Leave**

*For information on Sickness and Annual Leave please refer to the Managing Employee Health and Wellbeing Policy, available on the intranet.*

### Annual Leave Entitlement Ready Reckoner

The following table provides a ready-reckoner of the paid annual leave entitlement in hours for staff according to their contracted hours and number of complete years' service. The calculation is as set out in question 7.

Weekly Basic Contracted Hours	On Appointment	After 5 Years Service	After 10 Years Service
	27 days	29 days	33 days
Hours Equivalent			
37.5	202.5	217.5	247.5
37	200	215	244.5
36.5	197.5	212	241
36	194.5	209	238
35.5	192	206	234.5
35	189	203	231
34.5	186.5	200.5	228
34	184	197.5	224.5
33.5	181	194.5	221.5
33	178.5	191.5	218
32.5	175.5	188.5	214.5
32	173	186	211.5
31.5	170.5	183	208
31	167.5	180	205
30.5	165	177	201.5
30	162	174	198
29.5	159.5	171.5	195
29	157	168.5	191.5
28.5	154	165.5	188.5
28	151.5	162.5	185
27.5	148.5	159.5	181.5
27	146	157	178.5
26.5	143.5	154	175
26	140.5	151	172
25.5	138	148	168.5
25	135	145	165
24.5	132.5	142.5	162
24	130	139.5	158.5
23.5	127	136.5	155.5
23	124.5	133.5	152
22.5	121.5	130.5	148.5
22	119	128	145.5

Appendix A continued

	On Appointment	After 5 Years Service	After 10 Years Service
Weekly Basic Contracted Hours	27 days	29 days	33 days
	<b>Hours Equivalent</b>		
21.5	116.5	125	142
21	113.5	122	139
20.5	111	119	135.5
20	108	116	132
19.5	105.5	113.5	129
19	103	110.5	125.5
18.5	100	107.5	122.5
18	97.5	104.5	119
17.5	94.5	101.5	115.5
17	92	99	112.5
16.5	89.5	96	109
16	86.5	93	106
15.5	84	90	102.5
15	81	87	99
14.5	78.5	84.5	96
14	76	81.5	92.5
13.5	73	78.5	89.5
13	70.5	75.5	86
12.5	67.5	72.5	82.5
12	65	70	79.5
11.5	62.5	67	76
11	59.5	64	73
10.5	57	61	69.5
10	54	58	66
9.5	51.5	55.5	63
9	49	52.5	59.5
8.5	46	49.5	56.5
8	43.5	46.5	53
7.5	40.5	43.5	49.5
7	38	41	46.5
6.5	35.5	38	43
6	32.5	35	40
5.5	30	32	36.5
5	27	29	33
4.5	24.5	26.5	30
4	22	23.5	26.5
3.5	19	20.5	23.5
3	16.5	17.5	20
2.5	13.5	14.5	16.5
2	11	12	13.5
1.5	8.5	9	10
1	5.5	6	7
0.5	3	3	3.5

## Public Holiday Entitlement Ready Reckoner

The following table provides a ready-reckoner of the Public Holiday leave entitlement in hours for staff according to their contracted hours. It includes calculations to cover variations in the number of Public Holidays falling within the leave year. The calculation is as set out in question 7.

Weekly Basic Contracted Hours	Variation on 'normal' number of Public Holidays	Variation on 'normal' number of Public Holidays	Normal' number of Public Holidays	Variation on 'normal' number of Public Holidays	Variation on 'normal' number of Public Holidays
	6 days	7 days	8 days	9 days	10 days
	<b>Hours Equivalent</b>				
<b>37.5</b>	45	52.5	60	67.5	75
<b>37</b>	44.5	52	59.5	67	74
<b>36.5</b>	44	51.5	58.5	66	73
<b>36</b>	43.5	50.5	58	65	72
<b>35.5</b>	43	50	57	64	71
<b>35</b>	42	49	56	63	70
<b>34.5</b>	41.5	48.5	55.5	62.5	69
<b>34</b>	41	48	54.5	61.5	68
<b>33.5</b>	40.5	47	54	60.5	67
<b>33</b>	40	46.5	53	59.5	66
<b>32.5</b>	39	45.5	52	58.5	65
<b>32</b>	38.5	45	51.5	58	64
<b>31.5</b>	38	44.5	50.5	57	63
<b>31</b>	37.5	43.5	50	56	62
<b>30.5</b>	37	43	49	55	61
<b>30</b>	36	42	48	54	60
<b>29.5</b>	35.5	41.5	47.5	53.5	59
<b>29</b>	35	41	46.5	52.5	58
<b>28.5</b>	34.5	40	46	51.5	57
<b>28</b>	34	39.5	45	50.5	56
<b>27.5</b>	33	38.5	44	49.5	55
<b>27</b>	32.5	38	43.5	49	54
<b>26.5</b>	32	37.5	42.5	48	53
<b>26</b>	31.5	36.5	42	47	52
<b>25.5</b>	31	36	41	46	51
<b>25</b>	30	35	40	45	50
<b>24.5</b>	29.5	34.5	39.5	44.5	49
<b>24</b>	29	34	38.5	43.5	48
<b>23.5</b>	28.5	33	38	42.5	47
<b>23</b>	28	32.5	37	41.5	46
<b>22.5</b>	27	31.5	36	40.5	45

	Variation on 'normal' number of Public Holidays	Variation on 'normal' number of Public Holidays	Normal' number of Public Holidays	Variation on 'normal' number of Public Holidays	Variation on 'normal' number of Public Holidays
Weekly Basic Contracted Hours	6 days	7 days	8 days	9 days	10 days
	Hours Equivalent				
22	26.5	31	35.5	40	44
21.5	26	30.5	34.5	39	43
21	25.5	29.5	34	38	42
20.5	25	29	33	37	41
20	24	28	32	36	40
19.5	23.5	27.5	31.5	35.5	39
19	23	27	30.5	34.5	38
18.5	22.5	26	30	33.5	37
18	22	25.5	29	32.5	36
17.5	21	24.5	28	31.5	35
17	20.5	23.5	27.5	31	34
16.5	20	23.5	26.5	30	33
16	19.5	22.5	26	29	32
15.5	19	22	25	28	31
15	18	21	24	27	30
14.5	17.5	20.5	23.5	26.5	29
14	17	20	22.5	25.5	28
13.5	16.5	19	22	24.5	27
13	16	18.5	21	23.5	26
12.5	15	17.5	20	22.5	25
12	14.5	17	19.5	22	24
11.5	14	16.5	18.5	21	23
11	13.5	15.5	18	20	22
10.5	13	15	17	19	21
10	12	14	16	18	20
9.5	11.5	13.5	15.5	17.5	19
9	11	13	14.5	16.5	18
8.5	10.5	12	14	15.5	17
8	10	11.5	13	14.5	16
7.5	9	10.5	12	13.5	15
7	8.5	10	11.5	13	14
6.5	8	9.5	10.5	12	13
6	7.5	8.5	10	11	12
5.5	7	8	9	10	11
5	6	7	8	9	10
4.5	5.5	6.5	7.5	8.5	9
4	5	6	6.5	7.5	8
3.5	4.5	5	6	6.5	7
3	4	4.5	5	5.5	6
2.5	3	3.5	4	4.5	5
2	2.5	3	3.5	4	4
1.5	2	2.5	2.5	3	3
1	1.5	1.5	2	2	2
0.5	1	1	1	1	1

Appendix B continued



# Buying and Selling Annual Leave Scheme Guidance

*Introduced February 2022 for leave year 2022/23*

*For review in January 2023 following review of applications  
agreed/declined*

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## 1.0 Introduction

All employees receive paid annual leave as set out in their contract of employment. This scheme allows employees the flexibility to alter that entitlement, either by buying some additional leave or by selling some of their current entitlement. The scheme is about giving staff some additional choice and flexibility to their total reward package.

Extra holiday may appeal for all sorts of reasons – the chance to spend more time with family, special holidays or time to complete a special project. Alternatively, if employees wish to use less than their full leave entitlement, this scheme gives them the opportunity to exchange some of it for extra salary.

The scheme arrangements are totally discretionary – employees do not have a contractual right to buy or sell leave. Support must first be obtained from the line manager and the final decision will be made by the budget holder for the ward/department, linked to the criteria stipulated in Section 6. Right of appeal for unsuccessful applications is outlined in Section 11.

The opportunity to buy annual leave will only arise once a year. Employees will need to plan ahead when considering their choices as **once a decision has been made to buy or sell annual leave for the year, employees cannot change their mind**. Therefore, if an employee has sold annual leave, and runs out of leave before the end of the year, they cannot buy back any extra days. Alternatively, if an employee has bought annual leave and cannot use it before the end of the year, they cannot sell it back.

An annual review will be undertaken by the HR Advisory Team of the number of applications received within the Trust (that have been received by the HR Advisory Team), including the number in each area and the number that have been approved/declined.

## 2.0 Eligibility

This scheme is open to all **permanent** employees of the Shrewsbury and Telford Hospital NHS Trust who have completed their probationary period.

## 3.0 Buying Annual Leave

The principles for buying annual leave are:

- The opportunity to buy additional annual leave will only arise once a year.
- All applications must be received by **18<sup>th</sup> March**. Please refer to the process stipulated in Section 5.
- Once the application has been approved employees cannot change their mind.
- Employees are able to buy up to an equivalent of one of their working weeks.
- A week relates to the exact amount of hours they are contracted to work per week.
- When an employee buys annual leave their salary will be reduced by the additional number of hours purchased, this figure will be calculated on the employees' individual basic salary. This is classed as a variation to their terms and conditions of

employment. Specifically, that they agree to reduce their gross salary in return for a non-cash benefit (additional annual leave).

- Holiday is not a taxable benefit, so there is no income tax or national insurance (NI) payable in the value of the days bought. Please refer to Section 8 for further details.
- The cost of the annual leave will be spread over the year in 11 monthly instalments May – November (for the year 2022/23).
- If an employee has bought annual leave and cannot use it before the end of the leave year, they cannot sell them back and receive a salary in lieu of the benefit. Therefore planning and booking this additional annual leave with their manager at an early stage is important.
- Any additional annual leave bought will be managed as per the Trust's Annual Leave Policy (e.g. the manager must approve when leave can be taken).

#### 4.0 Selling of Annual Leave

Employees need to be aware that under the Working Time Regulations employers are required by law to ensure that adequate time off is taken by individuals. It is important therefore that employees do not deprive themselves of annual leave, which would result in a detrimental impact on health. Managers will be responsible for monitoring leave of staff and sickness levels to ensure that these do not increase. The law stipulates that employees are entitled to a minimum of 5.6 working weeks per year inclusive of statutory holidays (equivalent to 28 days). The entitlement for part-time workers is calculated on a pro-rata basis. No employee will be allowed to sell holiday which would mean that the total holiday taken in any one year would be less than the legal limit.

The principles for selling annual leave are:

- The opportunity to sell annual leave will only arise once a year.
- All applications must be received by **18th March**. Please refer to the process stipulated in Section 5.
- Once the application has been approved staff cannot change their mind.
- Staff are able to sell up to an equivalent of one of their working weeks.
- A week relates to the exact amount of hours they are contracted to work per week.
- When an employee sells annual leave they will receive 50% of the amount in May pay and the further 50% in their November pay, these figures will be calculated on the employees' basic salary. The additional payment will be subject to tax and NI in the normal way.
- If an employee has sold holidays and run out before the end of the year, they cannot buy back any extra days.

- Although authorised/approved by the budget holder for the ward/department (taking into account the considerations detailed within the guidance), no request will be finalised until all payroll checks have been completed these will take into account any other salary sacrifices you may have.

## 5.0 Process for Buying & Selling Annual Leave

The opportunity to buy and sell annual leave will only arise once a year. **All applications and all relevant documentation must be received by the appointed allocated person by the 18<sup>th</sup> March.** To apply to buy or sell annual leave the following process must be followed (summarised in Appendix 2):

- Managers should communicate with all staff the closing date of scheme to ensure timely applications.
- Discuss the desired option with your line manager. Medical staff should ensure that they agree with their line manager which annual leave year their request to buy or sell leave relates to, bearing in mind the information within Section 9.0.
- Employee fully completes the “Buying and Selling Annual Leave” form available on the intranet or in Appendix 1. Ensuring **all** fields in Section 1 and 2 of the application form are completed correctly, missing fields may result in applications being declined.
- Email/forward the form to your line manager for them to complete their part of the form which asks them to indicate their support for the request, linked to the criteria stipulated in Section 5.
- Completed forms need to be with the **budget holder** within your specific area **no later than 18<sup>th</sup> March**. Only in very exceptional circumstances will late applications be processed. To ensure monitoring and consistency of application this includes sending non-supported requests. A copy of all requests should be emailed to: [sath.annualleave@nhs.net](mailto:sath.annualleave@nhs.net) for an annual monitoring exercise of all approved and declined requests
- The Budget holder will make the final decision on whether to accept or reject an application linked to criteria stipulated in Section 6.
- It is the responsibility of the budget holder to inform the line manager if the employee’s application has been approved or declined and the rationale for any declined requests and the name of who the individual’s right of appeal is to with a copy of the form.
- It is the responsibility of the line manager to inform the employee of the outcome of their application and the right of appeal, (if applicable).
- For successful applications, the Manager will inform [sath.annualleave@nhs.net](mailto:sath.annualleave@nhs.net) to make the appropriate adjustments to the employee’s salary by sending a copy of the completed formf.
- For successful applications it is the responsibility of the employee and the line manager to amend annual leave records accordingly.
- At the end of the leave year the employees’ holiday entitlement will revert back to the normal contractual amount.

## 6.0 Criteria and Considerations for Buying & Selling Annual Leave

All requests for buying and/or selling annual leave will be given full consideration by the line manager and budget holder. The aim is to allow employees as much flexibility as possible whilst operating within the needs of service delivery. However, in making a decision, the following factors **must** be taken into account:

## 6.1 Buying Leave

- There should be no additional cost implications for the Division/Department. Considerations are detailed below:
  - If cover is needed for the employee – ensure it is cost neutral, e.g. bank, consider enhancements that may need to be paid for covering shifts in the ward/department, on-call or out of hours – how will commitments be covered?
  - Assess if employees selling leave can off set any of the costs incurred in employees buying leave
  - Assess if there can be a pairing agreement linked to people buying and selling for cover arrangements
  - Ensure the additional leave does not result in a waiting list initiative, overtime or agency.
- There should be no detriment to service provision. Considerations are detailed below:
  - Ensure there is no loss of clinical activity unless a planned reduction has been formally approved in the Division
  - Assess if additional leave can be taken in non-clinical time
  - Ensure there will be no detriment to work objectives and meeting key targets
- Unless there are exceptional circumstances employees should not be able to buy extra leave if they have already carried over leave from the previous year. However, if the employee has carried over less than one working week, they can buy the difference up to a working week.
- Unless there are exceptional circumstances (e.g. where an individual's health may benefit from taking additional leave) employees are not able to buy extra leave if their current sickness absence rate at the time of applying (calculated on a rolling 12 month period) exceeds the Trust informal review target (this equates to 2 episodes in six months, 4 episodes in 12 months, absence greater than 4 weeks or a recognisable pattern of absence).
- If a manager does not feel that they can support an employees' full request then they may consider suggesting a proportion they would feel able to accommodate. For example if two employees request to buy 37.5 hours each, but the service could only accommodate a maximum **combined total** of 37.5 hours additional leave, the manager may suggest that each receives 18.75 hours. The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the budget holder.

## 6.2 Selling leave

- There should be no additional cost implications for the Division/Department. Considerations are detailed below:
  - Assess if there is sufficient funding to buy back the leave
  - Assess if there is a balance of employees buying annual leave which can offset the costs
  - If there is not a sufficient match on the above – assess if the cost can be covered within the Divisions' budget and is not an excessive amount

- Assess if the cost can be offset by reduced temporary staff spend (e.g. reduced overtime, agency spend) and/or increased productivity, clearing waiting lists
- Unless there are exceptional circumstances employees are not able to sell leave if their current sickness absence rate at the time of applying (calculated on a rolling 12 month period) exceeds the Trust informal review target (this equates to 2 episodes in six months, 4 episodes in 12 months, absence greater than 4 weeks or a recognisable pattern of absence).
- Unless there are exceptional circumstances employees are not able to sell annual leave if they have already been given permission to carry over leave from the previous year. However, if the employee has carried over less than one working week, they can sell the difference up to a working week
- If a manager does not feel that they can support an employees' full request then they may consider suggesting a proportion they would feel able to accommodate. For example if two employees request to sell 37.5 hours each, but the service could only accommodate the purchase of a maximum **combined total** of 37.5 hours, the manager may suggest that each employee is able to sell 18.75 hours. The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the budget holder.

### 6.3 Reasons for declining a request

In relation to the above considerations, the individual needs to be advised as to the reason for their application not being supported which maybe one of the following and also the name of the manager who would deal with an appeal, (usually the manager of the budget holder that made the decision):

- Burden of additional costs
- No budget to pay for the leave or pay for cover/not cost neutral
- Detrimental effect on the ability to deliver service
- Inability to recruit additional staff / cover shifts / vacancies
- Inability to re-organise work amongst existing staff

### 7.0 Calculating the Value of a Day's Holiday

If an employee is selling holiday then the employee will receive additional pay for the holidays sold. If the employee is buying holiday then the employee will lose pay for the additional holidays bought.

The calculation of a day's leave is detailed below:

Annual salary ÷ 52.143 ÷ contracted hours per week = hourly rate

Hourly rate x normal hours per day = days' pay

The calculation for medical staff on PAs is detailed below:

Annual salary ÷ 52.143 ÷ normal PAs per week = 1 PA pay

1 PA rate x normal PAs per day = days' pay

## 8.0 Salary Sacrifice

When employees buy annual leave this is processed as a salary sacrifice. Salary sacrifice is a tax efficient way of receiving staff benefits. Essentially, the employee gives up part of their taxable salary in return for another benefit (e.g. extra holiday).

Because the employee sacrifices gross salary it means the tax, national insurance contributions and pension contributions (if applicable) that are usually applied are reduced. However all these deductions are dependent upon the amount the employee earns.

Below is a simple example using fictitious rates to demonstrate how the salary sacrifice works for the buying of annual leave: The example shows that a £500 salary sacrifice only costs the employee £302.80.

Salary Sacrifice – Buying 1 weeks holiday		
	£500 Reduction on Annual Salary in Majority of Employees	£500
Less	Pension Contribution (9.3%)	-£46.50
Less	National Insurance (12%)	-£60.00
Less	Tax (20%)	-£90.70
	Cost to employee	£302.80

Because an employee's gross pay is reduced as part of a salary sacrifice scheme there may be a resulting impact on other schemes and benefits such as the pension scheme and Statutory Maternity pay.

Employees **must** ensure that they read and fully understand the scheme guidance (including the salary sacrifice guidance on the intranet) prior to submitting an application. To ensure they know the potential implications prior to making any application under this scheme.

When selling annual leave, amount will be the payment received will be subject to the normal Tax and National Insurance Deductions. Please note the payment will not incur a pension deduction for full time employees but **will** incur a pension deduction for part time employees. The payment will be split between 50% in May pay and 50% in November pay. Further specific advice on the pay and pensions implications can be sought from Payroll and Pension's Teams.

## 9.0 Medical Staff

Medical staff need to be aware that a full week for the purposes of buying and selling annual leave is classed as the PAs they are contracted to, which includes any additional PAs (e.g. on-call). An example of this would be a consultant who is contracted to work 12 PA's per week and wishes to buy 1 week's annual leave – they would lose pay of 12 PAs.

Although the annual leave year for medical staff starts from the date of their anniversary the monies will still be deducted or paid over the same annual leave year as staff on Agenda for Change terms and conditions, e.g. 1 April to 31 March in 11 monthly instalments (May 2022 – March 2023) or two payments of 50% in May and November.

Whilst the individual can request which annual leave year they wish to buy or sell annual leave from, it is the responsibility of the Clinical Director and Divisional Director of Operations

when authorising the purchase of additional leave or the selling of leave to agree with the individual which annual leave year this relates to. This in part will depend on when the individual's annual leave year commences and service provision.

## 10.0 General Guidance & Advice

All amended annual leave entitlements will be managed as per the Trust's Annual Leave Policy or the Medical Staff Annual Leave and Public Holidays.

If an individual part of this scheme terminates their employment mid-year the manager must highlight this on the termination form so that payroll are informed of the outstanding/overtaken annual leave via the termination form. Payroll then make the normal month's salary sacrifice deduction in the terminating month and take the remainder of the outstanding monetary value as a net deduction.

**For example:** an individual buys 37.5 hours x hourly rate £10.00    £375.00  
This is then divided over a twelve month period (Sal Sac value)    £31.25  
If the individual then leaves in the November of the financial year there is the usual £31.25 salary sacrifice value plus 4 x 31.25 (£125.00) as a net deduction on their final payslip.

## 11.0 Right of Appeal

The final decision to agree a request to buy or sell leave should be made by the budget holder for that area, each request should ideally be supported by the individual's line manager (who may also be the budget holder).

Where a request is declined the individual should be informed, including the reason why it cannot be supported as indicated on the form (this can be a conversation and a copy of the form being given back to the individual).

If an individual feels this decision is unfair or unreasonable they have the right of appeal to the manager of the budget holder that declined the request, the name of this person will be confirmed on the form.

An appeal should be made in writing within 10 days of receiving the decision to decline the individual's application to buy/sell annual leave.

The manager will then review the reasons for declining the request, the reasons for appeal and confirm to the individual their final decision on whether to support their original request. If they support the budget holders decision to decline the request, the reasons why will be explained to the individual.

In order to ensure that appeals are dealt with in a timely manner in order to meet the timescales outlined in this procedure a formal appeal meeting is not required and the independent manager dealing with the appeal can review the information and confirm the outcome in writing. However, they may choose to speak to the employee (face to face, over the phone or via email) about their reasons for appeal and the budget holder about their original decision.

The decision made at the appeal is the final decision under this process.

<b>Section 1: For completion by the employee: All information to be completed.</b>			
<b>Full Name</b>		<b>Payroll / ESR no:</b> <small>(8 digit number and can be found on your payslip)</small>	
<b>Job title</b>		<b>Band</b>	
<b>Work address</b>			
<b>E-mail</b>		<b>Phone number</b>	
<b>Ward/Department</b>		<b>Division</b>	
<b>Base</b> <small>(e.g. RSH/PRH/other site)</small>		<b>Contracted hours of Employment</b>	
<b>Buying Leave</b>	I would like to request to <b>buy</b> _____ hours annual leave		
On approval of request to buy annual leave, I authorise a variation in my contract of employment in that there will be a reduction in my gross annual salary in return for a non-cash benefit of additional annual leave and that the deduction would be made over a 11 month period.			
<b>Selling Leave</b>	I would like to request to <b>sell</b> _____ hours of my annual leave entitlement.		
On approval I will forgo this amount of leave from my annual leave entitlement and that the Trust will make payment in consideration of the loss of leave. This payment will be made in two payments, 50% in May pay and 50% in November pay.			
It may not be possible for the full amount requested to be authorised, however a proportion may be authorised. E.g. requested 37.5 hours approved 18.75 hours instead. Please tick this box if you <b>would not</b> wish to accept a lesser proportion of your request, the request would then be declined <input type="checkbox"/>			

**Section 2: To be completed by employee**

**Salary Sacrifice - Important information**

**Please note no applications are finalised until payroll have completed appropriate checks to ensure you meet the earnings threshold**

The new national NHS pension scheme is now based on career average earnings, rather than final salary. Your participation in a salary sacrifice scheme may affect your NHS pension, as salary sacrifice reduces the basic salary that your pension is based on.

The Trust and its officers do not give pension advice. You are strongly advised to consider the impact of the reduced salary due to salary sacrifice and seek independent financial advice if you are unsure about the potential impact.

Further information can be obtained from:

[www.nhsbsa.nhs.uk](http://www.nhsbsa.nhs.uk)

[www.gov.uk/NHS](http://www.gov.uk/NHS) Pension scheme for England and Wales 2015

**Please tick the box as applicable:**

- I have taken independent advice regarding the impact of the salary sacrifice on my pension.
- I have chosen not to take independent advice regarding the impact of the salary sacrifice on my pension.
- I am not in the pension scheme
- Not applicable - I am selling annual leave

**Please read and sign below**

I have read and understood the information above and in the salary sacrifice guidance available on the intranet.

I understand that the Trust cannot provide financial advice, and that I should get independent financial advice if I am unsure about how salary sacrifice may affect me financially.

**I confirm that I have read and understood the 'Salary Sacrifice Guidance' document on the intranet and authorise any changes to my salary as per choice and approval.**

**Employee Signature**

**Assignment Number**

**Print Name**

**Date**

**Please forward this form to your Line Manager for completion of Section 3.**

<b>Section 3: To be completed by Line Manager</b>				
When completing this section please ensure you consider the criteria stipulated in <b>Section 6 of the Buying &amp; Selling Annual Leave Scheme.</b>				
1) Has the employee already carried over annual leave from the previous year?	Yes		No	
If yes, to the above question, please detail how many hours were carried over				
2) Does the employees sickness absence rate exceed 2 episodes in 6 months or 4 episodes in the previous 12 months or an absence greater than 4 weeks?	Yes		No	
If you have answered 'yes' to question 1 or 2, but <b>do still support</b> the employees application please provide brief details here regarding your decision:				
<b>Please tick the appropriate option:</b>				
Option a: I support this application <input type="checkbox"/>				
Option b: I do not support this application <input type="checkbox"/>				
<b>The reason I do not support this application (refer to Section 6):</b>				
<b>Option c:</b> I cannot support the employee's full request; however I can accommodate a proportion of this request. I would therefore support the application to buy/ sell* (*please delete as appropriate) a total of ..... <b>hours.</b>				
<b>Managers Signature</b>				
<b>Print name</b>				
<b>Date</b>				
<b>Section 4: To be completed by Budget holder for ward/department</b>				
<b>Signature</b>				
<b>Print name</b>				
<b>Date</b>				
<b>Notes</b>				

**Right of Appeal to (Name and job title):**

*(only include if application is declined)*

**Actions to complete – tick when completed**

**Copy of completed form to be sent to:**

- 1) Manager who will send the completed approved and rejected forms to [sath.annualleave@nhs.net](mailto:sath.annualleave@nhs.net) by 1<sup>st</sup> April 2022 (for monitoring purposes and processing for payroll)
- 2) Copy on employees personal file
- 3) Copy to individual to confirm if approved or not indicating right of appeal (if applicable)

***If Application supported:***

**Amend employees' leave form/ health roster increasing/decreasing the total by the appropriate number of hours.**

## Appendix 2

## Buying and Selling Annual Leave Scheme Process

Individual reads the full scheme guidance and completes sections 1 & 2 of the application form and forwards to their line manager by deadline of **18<sup>th</sup> March**.



Line manager reviews the information detailed in application and ensures that this is factually correct and all fields are complete.



Line manager completes section 3 of the application form and indicates whether the application is supported in full or part.



Line manager forwards application to Budget holder for final decision or if manager is budget holder, completes section 4.



Budget holder completes section 4, including reason for declining request and where right of appeal is to, if appropriate, and returns form to manager.



Manager receives completed form and gives copy to individual, copy on personal file and scans all approved and rejected forms to [sath.annualleave@nhs.net](mailto:sath.annualleave@nhs.net)



**For supported applications:** manager adjusts individuals leave entitlement/adjusts health roster according to hours leave brought / sold.

### Appeal process

Individual appeals decision within 10 days of receiving form declining request



Manager of budget holder refers to section 11 and reviews previous decision. Speaking to individual and manager if further information required. Confirms final decision to individual in writing and copied to personal file.