Annual Leave Purchase Scheme Policy

1. Introduction

1.1. The University is committed to protecting the health and well-being of its staff and supporting them to achieve a healthy work-life balance.

1.2. It is recognised that there may be times when some members of staff may wish to take more than the standard contractual entitlement of annual leave. This policy provides the opportunity for staff to apply to purchase additional annual leave through salary sacrifice

3.12. Once the variation to contract has been issued, and the deduction of payments has commenced, it becomes a binding agreement between the member of staff and the University. The member of staff cannot normally reverse their decision unless there are exceptional circumstances. The circumstances referred to are significant life changes, which might include (but are not limited to) marriage, divorce, severe illness of either the member of staff or their partner, bereavement, having to reduce hours of work or pay, or the potential job loss of either the member of staff or their partner. Such cases should be discussed with HR.

3.13. Where a member of staff leaves the University part way through the leave year, their annual leave allowance will be recalculated on a pro rata basis up to their last day of employment, plus any additional leave purchased. Any debit in the amount of leave taken, or balance of monies to be repaid in respect of days bought, will be recovered automatically from the member of staff's final pay. Any outstanding leave of any type should normally be taken in the notice period.

4. Procedure

4.1. A member of staff who wishes to purchase additional annual leave should obtain approval in principle from their Head of Department/Manager before submitting the form.

4.2. To make a submission, the member of staff must complete the Annual Leave Purchase Scheme form found under the 'My Forms' tab on [MyView] within the window period.

4.3. The application is then sent to the staff member's line manager via MyView, for review. If no action is taken within 20 calendar days of the request being received, it will be escalated to the line manager's line manager for review.

4.4. Each request will be considered in terms of the feasibility of allowing the member of staff to buy the additional annual leave for the time requested alongside operational needs. Other requests received by the line manager from memberumst 841.92 reehe oFl40itBT6 0 [Ɵwi g0 ꞒG3(.13)-.11 589.5

4.8. The Reward Team (HR) will undertake the necessary checks to ensure that the application does not pose any issues in terms of the remaining contract length or in terms of the resultant net salary falling below any statutory minimums.

4.9. Where the reduction in pay would reduce the hourly rate to below the National Living Wage rate, the request will be rejected by the Reward Team (HR) and the employee will be notified of the rejection and be given the reasons why.

4.10. The outcome of this final level of approval will be communicated directly to the employee and line manager by the Reward Team (HR), by the end of the month following the close of the application window.

For this reason, the additional annual leave requested is presented in hours when completing the application form on MyView.

5.4. As additional annual leave is not a taxable benefit, there is no income tax or national insurance payable on the value of the days bought. Therefore, the net cost is reduced in line with the tax and national insurance rates which apply to the employees pay. For example, an employee who pays tax at 20%, and NIC at 8%, could see the net cost reduced by up to 28%. E.g. if the gross deduction figure is £100, a tax and national insurance saving of £28 would result in a net cost of £72.

5.5. Members of staff should be aware that salary sacrifice schemes may have an impact on Child Tax Credits (CTC) or Working Tax Credits (WTC), which are based on income from the previous tax year ending on 5 April. Members of staff purchasing additional annual leave and making a new claim for CTC or WTC should use their revised salary figure when making an application.

5.6. Statutory benefits such as Sick Pay and Maternity, Paternity and Adoption Pay may be affected by the salary sacrifice arrangement, due to the impact this has on total gross pay.

5.7. Members of staff earning less than the lower earnings limit for National Insurance Contributions, who are in receipt of other benefits, should contact the relevant Benefit Office for advice on whether benefits would be affected by purchasing additional annual leave.

5.8. Pension contributions will be made on normal pay rates and not on the reduced salary levels, with the exception of the NHS pension scheme where pension deductions will be based on the salary after deductions for ALPS.

6. Changes to Salary

6.1. If the member of staff changes their hours part way through a year, and this results in an increase or decrease in salary, the deductions will still be made as previously agreed. The annual leave will be recalculated, including the additional purchased leave.

6.2. If the member of staff enters a nil pay situation and the leave has already been taken, deductions will recommence once they have sufficient salary to cover the deductions.

6.3. The holiday calculation is based on your pay at the time the first deduction is made. The deductions will continue to be made at this rate until the end of the leave year to which the additional leave relates.

6.4. Where an employee’s salary used for the calculation of the deductions changes mid leave year (i.e. a change to basic pay, or a change to a contractual allowance) no changes will be made to the amounts deducted from salary, even where there is still outstanding leave to take.