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difference

# Purchase of Additional Leave Policy

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## 1. INTRODUCTION

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### 1.1 Introduction

As part of our continued commitment to assisting employees with their work-life balance, the Council operates a scheme allowing employees to purchase up to 5 days additional annual leave per annum.

1.2 The cost of purchasing annual leave is provided through salary sacrifice, which is an agreement between employees and the Council to reduce the employees basic salary under their contract of employment. Specifically, under this arrangement, employees agree to give up part of their contractual salary in return for the Council providing additional annual leave.

1.3 This scheme does not replace or restrict the discretion of line managers to grant unpaid leave in line with the Leave and Work-life Balance Policy.

## 2. PRINCIPLES OF THE SCHEME

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2.1 The scheme will apply to all employees who have either a permanent contract or a fixed term contract with sufficient months left to allow for full re-payment within an agreed period.

2.2 To assist with the planning of resources, applications for purchasing additional annual leave should normally be made prior to the commencement of the leave year.

2.3 Any request to purchase additional annual leave is subject to Head of Service approval and will be dependent upon the needs of the service. Managers have the discretion to agree to the request in full, in part or decline it altogether. Separate requests must be made for each leave year.

2.4 The maximum amount of additional annual leave available for employees to 'purchase' under the scheme would be 5 days (37 hours), pro rata for part-time employees.

2.5 Any additional leave granted under the scheme will be added to the employees existing entitlement and must be requested and taken in line with existing annual leave procedures.

2.6 Salary deductions will be monthly and will be calculated on an employee's basic pay at the date of the commencement of the agreement. Additional annual leave must be paid for within 12 months.

- 2.7 An employee should note that by completing and submitting the request for additional annual leave form that, this form also constitutes their consent to the applicable salary deduction.
- 2.8 Once an application has been approved, the agreement becomes binding (but see 6.3 re. Maternity/Paternity/Adoption). Purchased leave may not be “sold back” to the Council.
- 2.9 The scheme cannot be accessed by an employee if the purchase of additional leave causes the hourly rate to drop below the national minimum wage.

### 3. COST

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- 3.1 Employees agree to give up part of their contractual salary in return for the Council providing additional annual leave. Purchasing annual leave through salary sacrifice reduces basic salary, meaning a lower amount of Tax and National Insurance is paid.
- 3.2 The costs of purchasing additional annual leave is spread over a twelve, six or three month period. The employee can choose over which period they wish to pay this back.
- 3.3 The cost of a day's of leave is calculated as follows:
- Actual annual salary / 365 x 7 / 5
  - For the total cost multiply this by the number of days leave you are requesting.
  - For the cost per month, divide the total cost by 12, 6 or 3 months.
- 3.4 Any additional purchased leave not taken within the given 12 month period will be subject to existing carry over arrangements.
- 3.5 It is important that any employee who is in receipt of any benefits, such as working tax credits, child tax credits, Statutory Maternity, Paternity etc. contacts the relevant body for advice on how this scheme may affect you.
- 3.6 Deductions will commence on the next available pay date following receipt of your signed/authorised application form, NOT when your additional annual leave begins.

### 4. PROCESS

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- 4.1 Employees who wish to purchase additional leave should discuss this with their line manager initially.
- 4.2 All requests must be made in writing using the Purchase of Annual Leave Form and sent to the employee's line manager.

- 4.3 Managers will consider all requests to purchase additional leave, within 21 days of receipt of the request, taking into account the priority of the operational needs of their business area and the potential impact that the absence could have on their team. The form should be sent to the relevant Head of Service for final authorisation before getting submitted to Human Resources for processing.

## 5. LEAVING THE COUNCIL

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- 5.1 If an employee should leave during the year still owing for purchased leave that is already taken, the amount owing for those days will be recovered from their final salary.
- 5.2 If an employee should leave during the year, the cost of any additional leave that has been purchased but not taken will be refunded.
- 5.3 Any redundancy payment will be based on gross salary before Salary Sacrifice deductions.

## 6. SICK ABSENCE AND MATERNITY/PATERNITY/ADOPTION LEAVE

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- 6.1 The 'payments' for additional annual leave will continue for the previously agreed period (i.e. 12, 6 or 3 months) whether or not an employee is on sick leave.
- 6.2 Maternity or adoption pay is calculated on the basis of the average earnings during a two month period, ending 15 weeks before the due date or date of placement. If your salary is reduced during this period as a result of purchasing additional annual, it will have an impact on the average earnings and, therefore, on how much maternity or adoption pay is payable.
- 6.3 Any additional leave agreement in place prior to the commencement of Maternity, Shared Parental or Adoption Leave will be reviewed and/or renegotiated as soon as a notification of intended absence is received.
- 6.4 It is advisable to obtain individual advice from human resources on these issues.

## 7. PENSION IMPLICATIONS

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- 7.1 There are no pension implications for the purchase of additional annual leave as pension contributions will be deducted on normal full pay.

## 8. EQUALITY IMPACT ASSESSMENT AND MONITORING

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- 8.1 The operation of this policy will be monitored for its impact on different equality groups in line with the Equality Act 2010. This will enable the Council to assess whether any differences have an adverse impact on a particular group, such that further action would be required.

## 9. DATA PROTECTION

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- 9.1 In implementing this policy, the Council will ensure that any personal data relating to the application of this policy will be obtained, processed and destroyed in line with Data protection requirements.