



Purchasing of Annual Leave Policy and Procedure

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1. Purpose

- 1.1 The Council recognises that its employees are most productive when they can achieve a balance between work and home commitments. As part of the Council's commitment to flexible working, it has created this Purchasing of Additional Annual Leave Policy and Procedure.
- 1.2 This policy and procedure sets out the process and eligibility criteria that Haringey employees must follow to purchase up to twenty-six (26) days additional annual leave (pro-rata for part time employees) in any one annual leave year.
- 1.3 This policy builds on existing provisions for time off that the Council makes available to its employees, which includes Flexi Time, Annual Leave, Special Leave and Parental Leave (maternity, paternity, shared parental leave or adoption leave).
- 1.4 The Purchasing Additional Annual Leave Policy and Procedure does not form part of the Council's contractual terms and conditions of employment. As such, the Council reserves the right to amend or discontinue this Policy and Procedure at its discretion; in such circumstances the Council will provide such notice of the amendment/ discontinuance to employees and recognised Trade Unions as it considers appropriate.

2. Scope

- 2.1 This policy applies to all Council employees, except all employees based at schools operating under the Local Management of Schools.
- 2.2 The scheme is available to all employees of the Council after successful completion of their probationary period.
- 2.3 This policy does not remove an employee's entitlement to request unpaid leave.

3. General Principles

- 3.1 There is no automatic right to purchase additional annual leave. Line managers will consider requests based on the needs of the service.
- 3.2 Requests must be rejected where approval of the request would require use of temporary employee(s), agency worker(s) or consultant(s) to cover the absence.
- 3.3 Each year an employee will have the opportunity to apply for additional leave before the start of the leave year by applying by 14 March on HALO. Employees can purchase up to a maximum of twenty-six (26) days additional annual leave for each leave year (pro-rata for part time employees).
- 3.4 An employee can make only one application each leave year (12 month period) and can purchase leave in whole or half days.
- 3.5 Requests for purchasing additional annual leave must be made via Halo including when the

leave is to be taken to allow for business planning.

- 3.6 By completing and submitting the HALO request to purchase additional annual leave the employee is providing consent for the salary sacrifice deductions.
- 3.7 Approved additional annual leave is added to the employee's general annual leave entitlement for that year and may be subject to the normal approval arrangements unless already approved via the HALO purchasing additional annual leave ticket.
- 3.8 Purchased additional annual leave must be taken in the year the salary sacrifice deductions have been made and purchased leave cannot be sold back to the council.
- 3.9 Payment for the additional annual leave is made through a salary sacrifice deduction over a twelve (12) month period.
- 3.10 Subject to section 3.2 above, there is a right of appeal to the Line Manager's Manager if an application for additional leave is rejected. The appeal must be in writing and submitted to the Line Manager's manager within seven (7) days of the employee being told of the rejection.
- 3.11 In line with the Council's Grievance Procedure, a grievance should not be brought and will not be considered where it is raised in direct response to the application of this procedure.

4. Procedure Purchasing of Additional Annual Leave

4.1 Employee responsibilities

An employee must submit their completed HALO application for additional annual leave no later than 14 March of each year which will be sent to the Line Manager for approval.

- 4.1.1 The completed HALO form contains the employee's authorisation for the salary sacrifice deductions.
- 4.1.2 The approved additional annual leave should be added to the annual leave card at the start of the holiday year and is then managed in the same way as any other annual leave.

4.2 Line Manager Responsibilities

- 4.2.1 Line Managers should endeavour to accommodate the request where reasonably practicable. Once a request is received the Line Manager should, save in special circumstances, approve or decline within fourteen (14) days of receipt of the request which will notify the employee of the outcome.
- 4.2.2 Line Managers should consider the needs of the service and only grant requests where the manager considers it is reasonably practicable to do so and that granting the request will not incur additional costs to the Council through using temporary employees, agency workers or consultants to cover the absence.
- 4.2.3 Line Managers can grant an application in full, or in part, or decline it by providing the employee with reasons for the refusal or partial approval.
- 4.2.4 Line Managers must then ensure the additional leave is added to the annual leave card at the start of the holiday year.

4.3 Paying for additional annual leave

- 4.3.1 Additional annual leave will be paid through salary sacrifice deductions over twelve (12) consecutive months.

4.4 Calculating the cost of a day's leave

- 4.4.1 The cost of a day's leave for full time employees is calculated as 1/365 of their annual salary. For part time employees (including term time only), this will be calculated pro-rata according to the percentage of full time hours that they work.
- 4.4.2 Where an employee works a variable number of contracted hours the cost of a day's leave is calculated by dividing the employee's total gross total salary for the three calendar months immediately prior to request to purchase additional annual leave by the total number of calendar days during this period. The Council has the final say over the calculation. Further guidance can be found on the [intranet](#).
- 4.4.3 The following illustration is based on a full time employee on PO2 requesting to purchase fifteen (15) days annual leave:

No. of Days	Gross Annual Salary	Gross Day Salary (Annual Salary / 365)	Gross Cost of Days (Day salary x number of days)	Gross Cost Per Month (Total cost / 12 months)
15	£41,442.00	£113.54	£1,703.10	£141.92

- 4.4.4 The following illustration is based on a part-time employee working 28.8 hours a week on PO2 requesting to purchase fifteen (15) days annual leave:

No. of Days	Gross Pro-rata Annual Salary	Gross Day Salary (Pro-rata Annual Salary / 365)	Gross Cost of Days (Day salary x number of days)	Gross Cost Per Month (Total cost/ 12 months)
15	£33,153.60	£90.83	£1,362.48	£113.54

4.5 Financial impact of purchasing additional annual leave

- 4.5.1 Purchasing additional annual leave will reduce an employee's total annual salary as they will be sacrificing salary to purchase the additional annual leave. Employees who are in receipt of any state benefit, such as working tax credits, child tax credits, Statutory Maternity, Paternity and Adoption pay etc, should contact the Department for Work and Pensions for advice on how this scheme may affect them.

4.6 Financial Impact on your pension of purchasing additional annual leave

- 4.6.1 Purchasing additional annual leave via salary sacrifice reduces the employee's annual salary and pensionable pay therefore no pension contributions will be payable by the employee and Council on that reduction.
- 4.6.2 Employees who are in the main scheme can elect to cover the period of purchased additional annual leave by paying an age-related Additional Pension Contributions (APC). Further information on how to buy APC is available on the Local Government Pension Scheme (LGPS) website.
- 4.6.3 The Council is liable to pay two thirds of the costs of the APC only if an employee makes the election to buy APC to cover the lost pension within 30 days of returning from the purchased additional annual leave. The form used to purchase APCs is located on the LGPS website. Employees purchasing APCs must download or print, complete and send the form to pensions.mailbox@haringey.gov.uk.

4.7 Leaving the Council

- 4.7.1 The Council will reimburse an employee if they leave the Council and at the time of leaving, the salary deductions made in respect of a period of purchased annual leave are greater than the cost of the additional annual leave taken. The amount to be reimbursed is the difference between the amount of the salary sacrifice deductions and the cost of the additional annual leave purchased.
- 4.7.2 The council will recover from the employee's final salary the difference between the cost of the additional annual leave taken and the value of the salary sacrifice deductions, where the former is greater than the latter.