

**Appendix A:
Purchasing Additional Annual Leave Policy and Procedure**

**Purchasing of Annual Leave Policy and
Procedure**

February 2016

Draft

Document Control

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Draft

Purpose

- 1.1 The Council recognises that its employees are most productive when they are able to 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 five (5) 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 Family Leave. For the purpose of this policy and procedure, Family Leave is defined as 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 staff and recognised Trade Unions as it considers appropriate.

Scope

- 2.1 This policy applies to all Council employees, except all staff 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 The Purchasing of Additional Annual Leave Policy and Procedure replaces the former Other Special Circumstances leave entitlement¹. This policy does not remove an employee's entitlement to request unpaid leave.

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 to have approved the request would require use of temporary employee(s), agency worker(s) or consultant(s) to cover the absence.
- 3.3 Each year there are two opportunities to apply for additional leave a) before the start of the leave year applying by 14 March and b) mid-point by 30 September. Further information on how and when to apply are detailed in Section 4 - Procedure - Purchasing additional annual leave.
- 3.4 Employees can purchase up to a maximum of five days additional annual leave for each leave year (pro rata for part time employees).

¹ Detailed at section 8.5 of the Leave and Time Off Policy 2012 this gave Directors the discretion to grant up to five working days additional paid leave.

- 3.5 An employee can make only one application in each leave year (12-month period) to purchase additional annual leave. Employees may purchase leave in whole or half days
- 3.6 Requests for additional annual leave must be made via the approved form (see Appendix 1) which details when the leave is to be taken to allow for business planning and contains the employee's written consent authorising the deduction from salary
- 3.7 Approved additional annual leave is added to the employee's general annual leave entitlement for that year and may be taken subject to the normal approval arrangements.
- 3.8 Where it is not possible to take the purchased annual leave by the end of the month of April immediately following the end of the leave year due, for example, to the exigencies of the service the line manager may, subject to operational requirements, agree up to five days carry-over of annual leave. Purchased leave cannot be sold back to the Council.
- 3.10 Payment for the additional annual leave is made through a deduction of salary in a one-off lump sum or payment over six-month period that must be made before the additional leave is taken. Rules on how payment is made are located in section 4.3 – Paying for Additional Annual Leave.
- 3.11 Subject to section 3.2 above, there is a right of appeal to the line manager's manager if an application for additional annual leave is rejected. The appeal must be in writing and submitted to the line manager's manager within seven days of the employee being told of the rejection.
- 3.12 The appeal will consider whether a 'reasonable line manager' could have rejected the application based on the information provided at the time of the rejection. If so, the appeal will be dismissed. The line manager's manager will notify both parties of the final decision and there is no further right of appeal.
- 3.13 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.

Procedure – Purchasing of Additional Annual Leave

Employee responsibilities

- 4.1.1 An employee must submit their completed application form for additional annual leave to their line manager no later than 14 March or 30 September of each year (and no earlier than two months before these dates. For example, applications cannot be submitted earlier than 15th January if applying before the start of the leave year or 31st July when applying midpoint in the leave year.
- 4.1.2 The completed form contains the employee's authorisation for the deductions from salary.
- 4.1.3 If an application for additional annual leave is rejected the employee may submit a written appeal to their line manager's manager. Further information on appealing a rejected application is found in sections 3.11 to 3.13 of this policy.
- 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 , within 14 days of receipt of the request notify the employee of the outcome and whether the leave has been approved.

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 written reasons for the refusal or partial approval.

4.2.4 Line Managers must send an approved application to [HR SSC](#) for processing.

4.3 Paying for additional annual leave

4.3.1 Additional annual leave can be paid through a lump sum deduction from salary in advance of taking the additional leave, or a deduction from salary over six consecutive months in advance of taking the additional leave.

4.3.2 Employees purchasing additional annual leave will continue to receive a monthly salary but it will be reduced based on the number of months the employee has elected to repay the purchased leave i.e. one month's reduction or six months of reduced salary.

4.4 Calculating the cost of a day's leave

4.4.1 Where the employee has a fixed number of contracted hours per week (including employees contracted to work during school term-time only) the cost of a day's leave is calculated by dividing the annual gross salary by the number of annual working days. The number of annual working days is calculated by multiplying the number of working days per week by 52.142 weeks per year: For example, where the employee works five days a week the cost of day's annual leave will be the annual gross salary divided by 261.

4.4.2 Where staff work 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 the submission of the employee's completed application form, by the total number of working days during that three calendar month period. Payroll should be able to assist in providing the correct calculation of a day's or half-day's pay. The Council has the final say over the calculation.

Financial impact of purchasing additional annual leave

4.4.1 Purchasing additional annual leave will reduce an employee's total annual salary. 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.

4.4.2 Additional annual leave purchased is classed as 'authorised unpaid leave of absence' therefore the reduction in the employee's salary caused by the purchase will not be pensionable pay and pension contributions by the employee and Council will not be payable on that reduction.

- 4.4.3 Employees can elect on the application form whether they wish to cover the period of purchased additional annual leave by paying an age-related Additional Pension Contribution (APC) to cover the amount of pension 'lost' during the period of authorised unpaid leave of absence. Further information on how to buy an APC is available on the Local Government Pension Scheme site (LGPS).
- 4.4.4 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 LPGA website. Employees purchasing APCs must print off and send the completed form to Pensions via the [HR SSC](#) portal.
- 4.4.5 The employee can elect to pay the APC at any time after the 30 days has passed after returning from the additional purchased annual leave, however, the Council will not pay any part of the costs of the APC and the employee will be liable for the full amount

4.6 Leaving the Council

- 4.6.1 The Council will reimburse an employee if he/she leaves 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 deductions and the cost of the additional annual leave purchased.
- 4.6.2 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 deductions, where the former is greater than the latter.

Appendix 1: Purchasing Additional Annual Leave Application Form



Name		Employee Number	
Directorate and Service:		Section	
I apply for Additional Annual leave for _____ day(s) from _____ to _____			
NB Please refer to the Purchasing Additional Leave Policy and Procedure on Intranet.			
I have requested the additional leave for the following reasons and have attached my annual leave card.: (This information will help when considering your request).			
Payment of Additional Annual Leave			
I would like to pay for this leave as follows: (payment must be made in advance of the leave being taken (Please tick one payment option below))			
One lump deduction I authorise the Council to deduct a one-off lump sum in the month of _____ from my salary as it calculates in accordance with the Purchasing Annual Leave Policy and Procedure to be the cost of this leave.			
or			
Equal instalments I authorise the Council to deduct from my salary over six months from (the month of _____ to the month of _____) for each of those months one-sixth of the amount it calculates in accordance with the Purchasing Annual Leave Policy and Procedure to be the cost of this leave.			
If my employment with the Council ends and the cost of the additional annual leave is more than the deductions taken from my salary to cover the leave that I purchased, I agree that the difference may be recovered in full from my final salary payment.			
Signed:		Dated:	

Line manager commentary/recommendation		Tick the one that applies
Approved	I approve this request for the purchase of annual leave and can confirm that neither a temporary employee, nor an agency worker nor a consultant will be required to cover the absence I have approved	
Reasons for approval		
Approved in part	I approve this request with the following amendment and can confirm that no temporary employee, agency worker, or consultant cover is required to cover the absence I have approved.	
Amendment/ Reasons for part approval		
Reject	I reject this request for the purchase of annual leave on the following grounds:	
Reasons for rejection		
Signed:		Dated:
Appeal		
The Line manager's manager will consider the appeal and inform both parties of the outcome.		
Reasons for outcome of appeal		
Signed:		Dated:
NOTE FOR LINE MANAGER: <ul style="list-style-type: none"> Please record an approved Additional Annual Leave form on the employees SAP Record PLEASE TREAT IN A CONFIDENTIAL MANNER. 		