

## Normal Holiday Pay Framework Guidance

The agreement provides for all elements of regular pay over and above basic pay to be taken into account in calculating your holiday pay entitlement. This includes the following:-

- All overtime (including guaranteed, contractual and voluntary);
- All enhancements received in relation to unsocial evening, weekend and bank holiday working;
- Standby and Sleep in duty allowances (including rostered Standby and Sleep in duty allowances not undertaken due to you being on annual leave).
- Minimum recall to work allowances and letting payments;
- All travel time (not expenses) paid from home to first duty and from last duty home.

The existing annual leave arrangements in respect of payment of normal contract hours, any accrued hours payments for additional working up to full-time equivalent (37 hours per week), together with any overall allowance, tool allowance and first aid allowance payments made whilst on leave will continue in accordance with existing arrangements and are, therefore, excluded from the terms and provisions detailed above. All additional hours worked over contracted hours up to full time equivalent (37 hours in any week) are excluded from the calculation on the basis that these will continue to be paid in accordance with existing accrued annual leave provisions.

The framework applies to your statutory leave entitlement which equates to 28 days for full time employees. This comprises 20 days annual leave (derived from Regulation 12 of the Working Time Regulations) plus an additional 8 bank holidays. This allowance is prorated for those who do not work full time. **Please note that your contractual annual leave entitlement remains unchanged.**

The additional annual leave value of those elements of regular pay over and above basic pay detailed will be calculated for the current year on the basis of your actual earnings for the previous year, so for 2020/2021 the calculation is based on all relevant actual earnings for 2019/2020.

**The calculation formula is set out below;**

Step 1

Total eligible gross pay received in 2019/2020 x (Contractual hours/Normal FTE Hours) x (Payment Days/365) = Pro rata eligible gross pay in 2019/2020

Step 2

28 days (Statutory annual leave and bank holiday entitlement) / 261 (Number of available working days in a year) = 10.7%

Step 3

Pro rata eligible pay in 2019/2020 x 10.7% = Total Additional Normal Holiday Pay due

## **Timing of the Payments**

Where the annual value of additional normal holiday pay is over £25, payments will be made monthly in 12 equal instalments. The first payment made in June 2020 will include 3 payments for the period 01 April to 30 June 2020 then monthly thereafter for the remainder of the year up to and including your March 2021 pay.

Any annual payments of £25 or less will be paid in one payment in your June 2020 pay.

If you started during the period 01 April 2019 to 31 March 2020 your payments will be calculated on the basis of your gross earnings during the part of the year you worked, but will be factored up to calculate a representative full years entitlement. The retrospective payment will be pro-rated to the part year actually worked.

Subsequent years will be recalculated and paid as described above in June each year to allow for inputting of overtime, enhancements and allowances up to the previous March. A schedule setting out the annual calculation will be sent to you every year prior to commencement of the payments.

## **Opting out of the Framework**

If you choose to opt out of the framework you may elect for your payment to be made based on the statutory formula contained within the Employment Rights Act 1996, however, this may be lower than the amount payable to you under the framework. For employees with no normal working hours holiday pay would be calculated on all relevant earnings in the 52 week period worked immediately prior to the leave actually being taken. These arrangements would apply to the first 20 days annual leave taken in the year, as this is what is provided under the statutory provisions.

If you chose to opt for the rolling 52 week calculation then your holiday pay will be based on the first 20 days leave taken in 2020/2021 (pro rata for part time employees). The option chosen will apply for the complete leave year and opportunity to change your preference will not occur until notification of next year's normal annual holiday pay value, which it is intended will take place after the May pay day each year.

## **Further Information**

If you have any queries in respect of the framework agreement or your individual calculations please contact your line manager, trade union representative or Human Resources Services Time team for further advice. HR Services Traded Services team may be contacted by email at [traded@derbyshire.gov.uk](mailto:traded@derbyshire.gov.uk).