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ANNUAL LEAVE PURCHASE SCHEME

Introduction and Aim

Public Health Wales recognises that it can sometimes be difficult for employees to balance their work and personal commitments. For example, employees might wish to celebrate a special occasion or require additional leave for other purposes, and their annual leave entitlement might not be sufficient on these occasions.

This scheme sets out Public Health Wales' provisions regarding purchase of annual leave, ensuring a balance between the needs of the individual with those of the organisation. It enables employees to spread out the financial burden of purchasing additional leave, as payments are deducted over a 6 or 12 month period, rather than taking unpaid leave, which would result in a significant salary reduction in any one month.

Linked Policies, Procedures and Written Control Documents

Annual Leave and Bank Holiday Policy
Flexible Working Policy
Employment Break Policy
Special Leave Policy

Scope

All employees will be able to apply to purchase annual leave on an annual basis, regardless of working pattern, as long as the duration the number of months over which the amount owed is to be repaid at the commencement of repayment.*

there are particular contractual arrangements in place for Specialty Registrars/Specialty Trainees – please contact the People and OD Team if you are in this category and are unsure about how to apply for the scheme

Equality and Health Impact Assessment

N/A

Approved by

Senior Leadership Team

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Accountable

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Disclaimer

If the review date of this document has passed please ensure that the version you are using is the most up to date either by contacting the document author or the [Corporate Governance](#).

Summary of reviews/amendments				
Version number	Date of Review	Date of Approval	Date published	Summary of Amendments
2.0	January 2018			Removal of need to specify dates for taking leave when making a request. Added in an appeal process

1 Introduction

In line with the Flexible Working Policy, we have an ongoing commitment to creating a more flexible workplace, to enable the recruitment and retention of staff but also to facilitate a healthy work-life balance. There are a range of organisational benefits to this approach:

- consolidate effective working relationships and increase engagement between managers and staff
- lead to increased commitment and loyalty from staff, and a willingness to go the “extra mile” at times of business need
- increase staff retention, as being flexible about the way people work, supporting and valuing their contribution, and looking after their welfare, means that employees are more likely to remain in the organisation and/or return after a spell away.
- increase organisational attractiveness as an employer of choice to potential employees – recent research indicated that more employees would choose the opportunity to work flexibly rather than receive a cost of living pay rise.

We know that such a balance is essential to the health and wellbeing of all of our staff but also recognise that it can sometimes be difficult for employees to balance their work and personal commitments. For example, employees might wish to celebrate a special occasion or require additional leave for other purposes, and their annual leave entitlement might not be sufficient on these occasions.

This scheme sets out Public Health Wales’ provisions regarding purchase of annual leave, ensuring a balance between the needs of the individual with those of the organisation. It enables employees to spread out the financial burden of purchasing additional leave, as payments are deducted over a 6 or 12 month period, rather than taking unpaid leave resulting in a significant salary reduction in any one month.

2 Roles and responsibilities

Meaningful discussion should be undertaken between staff and managers so there is full understanding of how the workload can be covered.

Additional annual leave requests should be treated in the same way as all other leave requests i.e. employees are responsible for planning their proposed additional annual leave. Managers may also reasonably expect that employees will have given some thought as to how their additional annual leave can be covered. This information should provide the basis of discussion, where managers and employees consider the impact on the service together.

Managers may wish to receive all requests within a specified timeframe, in line with the deadlines detailed in Appendix 1, in order that they can assess the impact of multiple requests within a team.

The relevant responsibilities for the applicant, line manager and divisional director, are detailed in Appendix 1 – Request and Approval Form, which explains the process of application and approval.

3 Procedure/Process/Protocol

3.1 Conditions of the Scheme

Up to 10 days additional leave (* pro rata) may be purchased in any financial year, based upon the employee's contractual hours and may be purchased in the number of hours required (i.e. in whole or half days).

* Part time who wish to apply for additional annual leave will be able to do so on a pro rata basis, where they may apply for the pro rata equivalent of 10 days additional leave.

Requests for purchase of additional annual leave should ideally include dates for when the leave is planned to be taken, to allow for business planning by the line manager. Where dates are not agreed at the outset, no guarantee can be provided that dates requested at a later date will be authorised as they will have to be considered in line with business need at the time of the request.

Employees are not obliged to state the reasons for requesting the additional leave, but this information will assist line managers to give full and fair consideration to requests.

Line Managers may only approve requests when there are no resulting requirements for backfill, temporary or agency cover requirements to cover the absence. Approval of additional leave will be captured on ESR and authorised as usual once approved.

Payment for leave will normally be taken over a fixed period of 12 months or six months, depending on the date of application, via deduction from salary.

Additional annual leave, once purchased, may not be sold back to Public Health Wales. Line managers must ensure that all additional annual leave purchased is taken in the relevant leave year, as any untaken additional annual leave will be lost at the end of the leave year.

Once signed and authorised, the approved application form (Appendix 1) will act as formal written consent from the employee and line manager. NWSSP Payroll Services must be in receipt of this by the deadlines below, in advance of deductions from salary, and before the planned additional leave is taken.

Requests must be made to the relevant Line Manager and submitted to NWSSP Payroll Services by the following dates:

- By the last working day of February for repayments over 12 months
- By the last working day of August for repayments over the remaining 6 months of the financial year

Please note: any approved additional annual leave will be valid for that leave year only and a new application will need to be made to buy additional annual leave in any subsequent leave year, should the scheme still be available.

3.2 Deductions from salary

Salary will be reduced by the value of the number of days purchased, multiplied by the hourly rate applicable at the time of processing the first salary deduction (see FAQ for further information and examples).

Should any change to salary occur during the term of the leave purchase agreement, the contribution towards this scheme will fluctuate accordingly, i.e. change of pay band, pay point increases/decreases, as well as any annual incremental rises. Should an employee leave the organisation, salary reimbursements or deductions will apply on a pro rata basis. In other words, employees leaving the organisation will be reimbursed salary if the deductions amount to more than the leave taken. Similarly, if the

total leave taken amounts to more than the salary deducted, payments will be taken from the final salary payment.

It is the manager's responsibility to inform NWSSP Payroll Services by email of any untaken purchased annual leave when their employee leaves the organisation. If no separate instruction detailing the amount untaken is received, NWSSP payroll will assume all purchased annual leave has been taken prior to termination, and the relevant outstanding deductions will be taken from the employees' final salary.

3.3 Pension Contributions

Pension Contributions are deducted on an employee's normal pay therefore pension contributions, where made, are unaffected by an employee's use of the annual leave purchase scheme.

3.4 Maternity/Adoption Pay

Deductions in salary from the annual purchase scheme may impact on maternity/adoption pay, as maternity/adoption pay is calculated on the basis of an employee's average earnings during an 8 week period, which ends 15 weeks before the due date/date of placement.

Any salary reduction during this period will have a subsequent impact on average earnings and, therefore, on maternity/adoption pay entitlements. As such, the effect on maternity/adoption pay entitlements will vary on an individual basis, depending on the timing of any additional annual leave deductions. Further information is provided in the accompanying FAQs.

3.5 How to Apply

Employees should complete Part 1 of the Annual Leave Purchase Scheme – Request and Approval Form (Appendix 1) and provide to their line manager.

The line manager should complete Part 2 of the form, indicating whether the additional leave can be supported, taking into account the needs of the service and whether the absence could be tolerated without the need for backfill, temporary or agency cover. The line manager will then complete Part 3 of the form, and provide a summary of all applications to the relevant Divisional Director for information. The summary should include an indication of how many staff within the team have applied for additional leave.

Consideration must be given to balance fairness for the individual against organisational need and business planning.

The line manager will notify the employee if the request for additional leave has been approved. If the request is approved, the form must be emailed to the Payroll Team, who will process the deductions. The request and approval form serves as the express authorisation from the employee to make the necessary deductions from salary.

If the request is rejected, the line manager will inform the employee of this and ensure that they are aware of the reasons that the application was refused.

3.6 Unsuccessful Applications

Public Health Wales reserves the right to refuse the request on the basis of operational service needs. If the request is refused, the line manager will provide reasons in writing to the employee within 10 days of receiving the request.

Examples of legitimate grounds for turning down a request include:

- Detrimental effect on ability to meet customer demand
- Inability to reorganise work among existing staff
- Detrimental impact on quality
- Detrimental impact on performance
- Insufficiency of work during the periods the employee proposes to work
- Planned structural changes
- Consideration of numbers of applications received in a team

3.7 Appeals

Where an employee disagrees with the reasons given for turning down a request to purchase additional annual leave, the employee has the right to appeal this decision.

An employee who wishes to appeal this decision should do so in writing to their line manager (or the person who provided the written reasons for refusal) within 14 days of receipt of the letter. An appeal will normally be heard by a manager one level above the manager who made the original decision.

4. Monitoring compliance

A record of all applications, approved or not, should be kept by the line manager.

Managers are required to maintain a record of savings delivered through the application of this scheme.

5. Appendices

Appendix 1

Annual Leave Purchase Scheme – Request and Approval Form

Part 1 – To be completed by the employee

I have read and understand the rules of the Annual Leave Purchase Scheme and make the following request to purchase additional annual leave:

Employee Name:	
Staff Number:	
E-mail address:	
Department:	
Band:	
Current hours worked per week:	

I am applying to purchase (enter number of hours) _____ hours annual leave during the leave year 1st April _____ to 31st March _____

* Part time who wish to apply for additional annual leave will be able to do so on a pro rata basis, where they may apply for the pro rata equivalent of 10 days additional leave.

I plan to take this leave as follows:

Days/Hours:	Dates
Total Hours	

I have requested the additional leave for the following reasons: (your response is optional, but will assist your manager to give full and fair consideration to your request):

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I understand that if approved my salary will be reduced by the value of the number of hours purchased, multiplied by the hourly rate applicable, taking into account any incremental increases or

pay increases due in the annual leave year.

I also understand that this adjustment in salary may also reduce the amount of maternity or adoption pay for those employees who are entitled to it.

I authorise my salary to be reduced in instalments over (tick as appropriate):

12 months

**For applications processed the last working day of February
Deductions will commence in April salary**

6 months

**For applications processed by the last working day of August
Deductions will commence in October salary**

Employee signature:	
Date:	

Part 2 – To be completed by the line manager

Please provide a brief commentary as to how the additional leave requested will impact on the needs of the service during the relevant period and confirm that backfill, temporary or agency cover will not be required to cover the employee's absence:

Part 3 – To be completed by the relevant Line Manager

Either

I approve this request for the purchase of additional annual leave and can confirm that backfill, temporary or agency cover will not be required to cover this absence.

Line Manager Signature:	
Line Manager Title:	
Date:	

Or:

I reject this request for the purchase of annual leave on the following grounds:

(Please refer to section 4.6 of the Scheme)

Line Manager Signature:	
Line Manager Title:	
Date:	

Notes

Part 1 – to be completed by Employee and provided to Line Manager

Parts 2 and 3 – to be completed by Line Manager and a summary provided to relevant Divisional Director, including an indication of how many staff within the team have applied for additional leave. Consideration must be given to balance fairness for the individual against organisational need and business planning.

Line Manager to confirm outcome to employee and, if approved, will email form to the [Payroll Department](#) by:

- **For applications for instalments to be taken over 12 months – the last working day of February.**
- **For applications for instalments to be taken over 6 months – by the last working day of August.**

Any applications received after these times will not be processed; please cc the [People Team](#) so the application may be retained on the employee's personal file.