



BUYING ANNUAL LEAVE PROCEDURE (HR-A3-031)

**Issue 8
February
2024**

A - Corporate	B - Divisional	C - Contract
HR		
Manual	Procedure	Guidance

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Issue record

This document will be updated when necessary, by distribution of a complete replacement.

Amended or additional parts of revised pages will be marked by a vertical black line in the margin. The briefing notes will detail any text removal from the document.

Issue	Date	Comments/Remarks	Updated by
1	December 2016	First issue for purpose of the Policy	Theodora Masha – Head of HR - Systems
2	April 2018	Compliant in line with GDPR	Katie Brown, Head of HR – Central Services
3	November 2018	Rebranding	Katie Brown, Head of HR – Central Services
4	November 2019	4 th issue for scheme opening Dec/2019	Katie Brown, Head of HR – Central Services
5	November 2020	5 th issue for scheme opening Dec/2020	Paul Reeves - Head of HR Projects
6	November 2021	6 th issue for scheme opening Dec/2021	Katie Petroskey, Head of HR – Central Services
7	November 2022	7 th issue for scheme opening Dec/2022	Katie Petroskey, Head of HR – Central Services
8	February 2024	8 th issue for scheme opening Mar/2024	Paul Reeves - Head of HR Projects

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Buying Annual Leave Procedure

1. Policy statement

Colas Rail is committed to support its employees to achieve a healthy balance between their work and personal lives and recognise that some employees may wish to take longer periods of holidays. For this reason we introduced this policy to allow the buying of additional leave days and builds on the existing leave provisions available to employees, subject to certain conditions.

2. Conditions for Buying Holiday

The conditions for employees to buy holiday are as follows:

- The organisation's holiday year runs from **01 April to 31 March**, however the deductions will take effect from **May's payroll, for 11 pay periods**. The maximum amount of additional annual leave that any employee may "buy" in any one holiday year is 5 days (pro-rated for part-time employees).
- An employee who wishes to buy additional leave must complete the Employee Request form using their employee dashboard in [MyColas > Employee Dashboard > My Requests](#)
- Applications for buying holiday entitlement must be received between the **1st March to 31st March** of the current holiday year to take effect the following holiday year.
Please note – Requests received after this application window will not be accepted.
- The organisation reserves the right to refuse an employee's application to buy holiday based on business requirements. Employee's requests to buy additional leave may be rejected due to operational or technical reasons related to their job.
- Where an application has been received and approved, HR will provide the employee with final figures at the end of the application window.
- If an employee who has applied to buy holiday fails (following notification from the employer of the adjusted rate of pay) to provide written confirmation within one week that he/she would like to go ahead with the arrangement to buy holiday leave, the application will be cancelled.
- Additional holiday leave granted under this scheme must be taken within the holiday year in respect of which the application was received. If, having bought additional holiday, the employee fails to take it before the end of the relevant holiday year, the leave will be lost altogether. In these circumstances, no compensatory payment or salary adjustment will be made.
- If an employee fails to use their additional "bought" annual leave they will not be allowed to carry this over into the next annual leave year. If they do not use it they will lose it, therefore all annual leave, contractual and bought will need to be used in the period of 1st April 2024 to 31st March 2025.
- There is not an option to 'sell' leave back to the company.

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3. Eligibility criteria

The benefit of being able to purchase additional annual leave applies to Colas Rail employees, excluding the following:

- Employees on a Flexible Hours contract
- Employees who are on Long Term Sickness Absence (to be discussed on a case by case basis)
- Employees whose Annual Leave arrangements are covered within different Terms & Conditions
- Employee with non-used annual leave for the current year will not be able to “buy” any of their holiday entitlement.

4. Adjustments to Pay

Where an employee opts to buy annual holiday, this will result in a reduction to their monthly / lunar salary during the relevant holiday year only.

The new monthly salary will be calculated and notified to the employee as soon as possible after the employee's application to buy holiday has been received and approved.

The calculation for buying holiday for **monthly paid** employees is:

- dividing the employee's annual salary by 52 to determine the notional weekly pay;
- divide by 5 to get a notional daily pay;
- multiplying this figure by the number of days the employee wishes to buy;
- dividing this figure by the 11 months the payments will be made over to arrive at the amount that will be deducted from the employee's monthly salary;
- subtracting that figure from the employee's normal monthly salary; and
- applying the new level of monthly pay from the agreed date through to the end of that holiday year.

The calculation for buying holiday for **4 weekly (lunar) paid** employees is:

- dividing the employee's annual salary by 313 *6 to determine the notional weekly pay.
divide by 5 to get a notional daily pay;
- multiplying this figure by the number of days the employee wishes to buy;
- dividing this figure by the 11 pay periods to arrive at the amount that will be deducted from the employee's lunar salary;
- subtracting that figure from the employee's normal salary; and
- applying the new level of monthly pay from the agreed date through to the end of that holiday year.

The “buying holiday” scheme will operate as a salary sacrifice arrangement which allows you to take advantage of the potential Income Tax and National Insurance Contribution savings on certain benefits.

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5. General considerations

Once the arrangements have been made and the pay deductions have commenced, employees cannot reverse their decision unless there are exceptional circumstances which will be reviewed on a case-by-case basis.

Where an employee leaves half-way through the leave year, their annual leave allowance will be calculated on a pro-rata basis up until their last completed calendar month of employment, plus any additional bought leave. Any debit in the amount of leave taken or balance of monies to be repaid in respect of days bought will be recovered automatically from the employee's final pay. Any untaken leave will be calculated and paid accordingly.

6. Employee Data

Colas Rail Limited treats personal data collected in accordance with the Colas Rail Limited [Data Protection Policy](#). Information about how your data is used and the basis for processing your data is provided in the organisation's [Employee Privacy Notice](#)