



Colas Rail Buying Annual Leave FAQ Guide

1. How does the scheme operate?

You have the opportunity to request to buy up to 5 days additional holiday for year 2024/25. This will be subject to approval from your line manager. The scheme operates over an eleven-month period, May to March.

The scheme will be administered through a salary sacrifice arrangement and therefore your salary will be reduced by the value of the holiday you buy in equal monthly instalments, before income tax and national insurance deductions.

The operation of the scheme is subject to employer approval depending on business requirements. The Company reserve the right to withdraw or modify the scheme at the end of the holiday year – 31st March.

2. Who is eligible?

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 (reviewed 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.

3. Will new starters be eligible to buy additional days when they join?

Applications should be made by 31st March for leave in the following holiday year. New starters will only be able to apply for the scheme during the election period each year. Therefore, depending on the start date, new starters may not be able to apply.

5. How do I apply?

Employees will need to complete the Colas Rail Buying Annual Leave Request Form using **MyColas > Employee Requests** and indicate the number of days they wish to buy. The request will then be sent to their line manager to review.

If your request is approved you will receive an email from HR confirming the details and employees will be required to sign a salary sacrifice agreement. Please note the first salary reduction will commence in May's payroll.

6. Why is the scheme salary sacrifice for “buying” holiday?

The Company has chosen to use salary sacrifice to administer the “buying” of holiday entitlement because it is a cheaper and more efficient method for both employees and the Company. By completing and signing the form you are confirming that you are amending part of your salary in return for the benefit for buying additional holiday entitlement.



7. If my request is approved, how do I record the extra holiday?

Once HR have received the approved form and you have agreed to the proposed changes your holiday record will be amended accordingly in MyColas in April 2024.

8. My line manager has not approved my request to buy additional holiday – what can I do?

Your line managers reserve the right to decide whether a request to buy additional holiday is feasible taking account of anticipated workload and the requests of other employees within the department. Their decision is final.

9. How will this scheme impact pay review and bonus?

There will be no change to the current arrangement. Your basic salary before any reduction – your “notional” salary - will be used when calculating any agreed pay review increases or bonus payments.

11. Will this scheme have any impact on my company pension?

If you are a member of the AVIVA pension scheme your pension contributions will be calculated based on your notional salary.

13. Can I carry any additional holiday I have bought over to the following year?

All contractual holiday entitlement should be taken by the end of each holiday year. 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.

14. What happens if I leave the business part way through the year?

If you leave before the end of the holiday year and you have bought extra days you will be paid for any unused days and the remaining balance of the total amount still to pay will be deducted from your final net pay.

15. Can I opt out of the scheme part way through the period?

No. Whilst the arrangement will be subject to review at the end of each year once you have entered into the arrangement you remain bound by the agreement and the related salary sacrifice will continue for the entire scheme period. At the point of scheme renewal, or if you decide not to re-apply, the related salary sacrifice will cease.

16. What happens if I have a salary change during the year?

If you have a salary change part way through the period, this will have no impact on the value of your salary sacrifice, as this will remain unchanged for the entire period. This is because it is determined by your salary at the beginning of holiday period.



Examples – 20% tax payer

Monthly paid employee:

Example A – Calculation of salary reduction for a full time employee A full time employee has a basic salary of £30,000 per annum and chooses to buy five extra day’s holiday in the period.	
Annual basic salary “Notional” salary (before Salary Sacrifice reductions)	£30,000.00
Value of five days holiday (£30,000 / 52 weeks / 5 to get a notional daily pay) * 5 days	£576.92
Salary Sacrifice per month Value of 5 days holiday / 11 months	£52.45

4 weekly paid employee:

Example B – Calculation of salary reduction for a full time employee A full time employee has a basic salary of £30,000 per annum and chooses to buy five extra day’s holiday in the period.	
Annual basic salary “Notional” salary (before Salary Sacrifice reductions)	£30,000.00
Value of five days holiday (£30,000 / (313*6/5) to get a notional daily pay) * 5 days <i>Lunar calculation only</i>	£575.08
Salary Sacrifice per month Value of 5 days holiday / 11 months	£52.28



Examples – 40% tax payer

Monthly paid employee:

Example A – Calculation of salary reduction for a full time employee A full time employee has a basic salary of £60,000 per annum and chooses to buy five extra day’s holiday in the period.	
Annual basic salary “Notional” salary (before Salary Sacrifice reductions)	£60,000
Value of five days holiday (£60,000 / 52 weeks / 5 to get a notional daily pay) * 5 days	£1,153.85
Salary Sacrifice per month Value of 5 days holiday / 11 months	£104.90

4 weekly paid employee:

Example B – Calculation of salary reduction for a full time employee A full time employee has a basic salary of £60,000 per annum and chooses to buy five extra day’s holiday in the period.	
Annual basic salary “Notional” salary (before Salary Sacrifice reductions)	£60,000
Value of five days holiday (£60,000 / 313*6/5 to get a notional daily pay) * 5 days <i>Lunar calculation only</i>	£1,150.16
Salary Sacrifice per pay period Value of 5 days holiday / 11 months	£104.56