

Example calculation for Purchase of Annual Leave Scheme – March 24

Staff are paid for 365 days per year therefore each week is calculated as 7/365ths of gross annual salary.

Full-time staff member

Gross Annual Salary £21,543

To calculate, divide gross annual salary by 365: $£21543/365 = £59.02$

To calculate 7/365 multiply £59.02 by 7: $£59.02 \times 7 = £413.14$

In this example the gross cost per one week of annual leave purchased is £413.14.

If this staff member chooses to purchase 2 weeks of annual leave the gross cost is $£413.14 \times 2 = £826.28$.

Remember that by reducing salary through this salary sacrifice arrangement, the amount of tax and National Insurance paid also reduces, therefore the actual cost will be less.

(Please note actual calculations may differ slightly due to decimal rounding)

Part-time staff member - 80% of full-time

Gross Annual Salary $£21,543 \times 80\% = £17,234$

To calculate, divide gross annual salary by 365: $£17234/365 = £47.60$

To calculate 7/365 multiply £47.60 by 7: $£47.60 \times 7 = £333.20$

In this example the gross cost per one week of annual leave purchased is £333.20

If this staff member chooses to purchase 2 weeks of annual leave the gross cost is $£333.20 \times 2 = £666.40$

Remember that by reducing salary through this salary sacrifice arrangement, the amount of tax and National Insurance paid also reduces, therefore the actual cost will be less.

(Please note actual calculations may differ slightly due to decimal rounding)