

University of Aberdeen

Purchase of Annual Leave Scheme (Revised March 24)

1. Introduction

The University of Aberdeen is committed to protecting the health and well-being of staff.

The Purchase of Annual Leave Scheme, open to all staff, is intended to assist in achieving a healthy balance between work and personal lives.

This guidance outlines the Scheme which allows staff to buy additional annual leave, building on existing provision for a variety of different leave arrangements such as family friendly (maternity/birth parent, paternity/partner, shared parental, parental) and unpaid leave.

2. Purpose

The purpose of the Scheme is to provide staff with additional flexibility in respect of planned time off work.

The purchase of additional leave is treated as a salary sacrifice arrangement. Staff agree to reduce their salary and in exchange the University will provide one or two full weeks of additional annual leave (maximum of two weeks in any leave year), subject to the operational requirements of the service which must remain the priority.

Once agreed the additional leave is treated as a temporary addition to existing annual leave entitlement for the annual leave year in which it is purchased and is subject to the same arrangements as normal annual leave in respect of request/approvals. If approval is not given, managers should provide an explanation to staff and explore other options with the staff member.

Normal arrangements regarding the carryover of outstanding annual leave and sickness during annual leave will apply to the purchased annual leave.

3. Scope

The Scheme applies to all University staff whether they are full-time, part-time, part year, temporary or permanent irrespective of length of service.

4. Number of weeks leave

Staff can make one request per annual leave year and can request either:

- By 30th September, 1 week or 2 weeks (maximum 2 weeks) leave in the next leave year OR
- By 31st March, 1 week of leave in the remainder of the leave year.

- (or by 31 January and 31 July for those whose holiday year starts in February).

For part-time staff, a week is equivalent to their normal number of days worked in a week e.g. if they work 4 days per week i.e. 80% then they can purchase two of those weeks, they cannot purchase two full-time weeks. If part-time staff work 80% but over 5 days, they can still only purchase two weeks at 80% of fulltime (Please refer to example calculation).

Subject to normal leave approval processes, the leave can be taken at any time during the leave year (or half year) and does not have to be taken together as a single block.

The additional leave i.e. purchased part of leave entitlement, is taken first.

5. Paying for the leave

The additional leave purchased is paid for through a reduction in salary equivalent to the salary for the number of weeks leave being taken; staff are paid for 365 days per year therefore each week is calculated as $1/365$ ths.

The total salary is reduced until the end of the annual leave year by the proportion for the number of weeks being purchased. The monthly salary is then adjusted accordingly to spread the cost of the additional leave agreed in September over the year from October (or from April over the half year in instances of additional leave purchased at end March). By reducing salary, the amount of tax and National Insurance paid also reduces. This arrangement ceases at the end of the leave period.

6. Pension position

Taking additional leave may affect a member of staff's pension situation, the positions for the different schemes are given below.

6.1 USS and UASLAS

Notional salary is used for pension purposes so that pensionable service is not reduced, and employee superannuation payments remain as if additional leave is not being taken.

6.2 NHS, LGPS and STSS

Additional leave is not pensionable so members of these schemes will lose the equivalent days of pensionable service. Staff will only pay pension contributions based on the reduced salary.

7. Service

Employment will not be broken during the unpaid leave period(s) and continuous service will be maintained.

8. Process

A member of staff wishing to purchase annual leave should complete a request form and submit this to their line manager by the dates specified below, ideally at least one month before the start of the leave year.

Only one request per annual leave year may be made.

The maximum amount of additional annual leave that any staff member may 'purchase' in any one leave year is two weeks.

Separate requests must be made for each leave year and applications should be submitted no later than the start of each leave year. i.e. by 30th September and 31 March (or by 31 January and 31 July for those whose holiday year starts in February).

The University reserves the right to refuse a staff member's application to purchase additional annual leave. It may be necessary to refuse a staff member's request for operational or technical reasons related to their job. If approval is not given, managers must give reasons and explore other options with the staff member. There is no right of appeal.

Approval for taking additional annual leave should be requested and taken in the line with the normal annual leave procedures.

Any deductions from salary to pay for the additional leave will be made monthly and calculated at the staff member's rate of pay as at the date of the agreement.

There will be no increase in the number of days leave that staff can "carry forward" to the next leave year and managers and staff members must plan and manage the additional annual leave. If, having purchased additional annual leave, the staff member fails to take it before the end of the relevant leave year, the leave will be lost, and no reimbursement will be made.

Where a request has been received and approved, the staff member will be notified by their line manager and the appropriate change to their pay notified to them by HR.

Staff leaving the University will be reimbursed if the salary deductions on leaving amount to more than the leave taken. If on leaving, the value of the salary deductions made during the relevant leave year are less than the value of the leave taken, the University reserves the right (in line with contractual provision) to require repayment and will be entitled to deduct the outstanding amount from salary or other payment due to the staff member. If the final salary payment is not sufficient to allow for the full repayment, the staff member will be required to repay the outstanding amount within one month of the date of termination of their employment.

9. Guidance for managers

Managers should consider requests for additional leave fairly and consistently. Managers should consider the requirements and key objectives of the role held by the staff member, and whether the additional leave may impact on the ability to deliver them.

The specific arrangements will need to be reviewed on a case-by-case basis. It may be appropriate to consider adjustments to timescales or workload where specific predetermined objectives are deemed to be unachievable as a result of additional leave being taken. Managers would then need to consider whether such a delay or adjustment is practical for the School/Section. Requests should only be declined where business reasons mean that the request cannot be accommodated. If, after due consideration, a request has to be turned down, a full explanation should be given to the member of staff.

10. How to access additional leave

Staff wishing to purchase additional leave should make their initial request to their line manager in September or March so that the impact on the work in their area can be assessed in time for an application to be made. If approval is given by the line manager, the Purchase of Additional Leave Form should be completed and forwarded to HR.

The leave entitlement will be recorded and Payroll informed.

11. Terms and Conditions

11.1 Salary Reviews

Salary reviews will continue to be based on pre-reduction salary.

11.2 Overtime

Overtime, if applicable, will be calculated using pre-reduction salary.

11.3 Sick Pay/ Maternity/Birth parent Pay/ Adoption Pay/ Paternity/Partner Pay

In accordance with statutory requirements Statutory Sick Pay, Statutory Maternity Pay, Statutory Adoption Pay and Statutory Paternity Pay will be based on the pay on which National Insurance contributions are due. University enhanced maternity/birth parent, adoption, paternity/partner and sick pay will be based on the pre-reduction salary and any other payments which were previously included in the calculation of these enhanced payments.

Provided the staff member continues to participate in the scheme, salary will be reduced until the end of the leave period by an amount equivalent to the number of weeks requested; provided that this does not reduce pay on which National Insurance contributions are due below statutory levels.

11.4 Holiday Pay

If a staff member leaves the University, outstanding holiday pay (whether owed by the staff member or the University) will be based on pre-reduction salary.

11.5 Other payments and allowances

All other payments and allowances payable by the University that are salary-related will be based on pre-reduction salary.

12. Changes to the Scheme

The University reserves the right to amend or discontinue the Purchase of Annual Leave Scheme should the University determine that it is appropriate for it to do so taking into account such matters as it may determine relevant from time to time, including changes to UK tax and National Insurance contributions legislation. Should this happen, reasonable notice would be given of the change, which would coincide with the end of a leave year.

Produced by HR Specialist Services September 2015

Changes made: 5 September 2018

Reviewed and amended March 2024