

UNIVERSITY OF ABERDEEN
PURCHASE OF ANNUAL LEAVE SCHEME

1. Introduction

The University of Aberdeen is committed to protecting the health and well-being of staff. This scheme is intended to assist staff in achieving a healthy balance between their work and personal lives.

This guidance outlines the Purchase of Annual Leave Scheme available to staff which allows them to buy additional annual leave, building on existing provision for a variety of different leave arrangements such as family friendly (maternity, paternity, 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 the University will provide up to 2 weeks additional leave each 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 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 employee where possible.

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 days leave

Staff have the opportunity to make one request per annual leave year and can request either:

- By 30th September, up to 2 weeks leave in the next leave year OR
- By 31st March, up to 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 staff who work part time this would be pro-rata e.g. if you work 3 days per week then 1 week = 3 days

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 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 days/hours leave being taken; each day being considered based on 1/365th of a year.

The total salary is reduced until the end of the leave period by the proportion for the number of days being taken. 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. At the end of the leave period salary is no longer reduced by this amount.

6. Pension position

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

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.

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 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 above.

Separate requests must be made for each leave year and applications should ideally be submitted to the Line Manager 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 employee may 'purchase' in any one leave year is 2 of their normal working weeks (max 10 days for full-time staff, for part-time staff this would be pro rata e.g. for staff working 4 days a week, this would be 8 of their days/).

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

The University reserves the right to refuse an employee's application to purchase additional annual leave. It may be necessary to refuse an employee'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 employee. There is no right of appeal.

Additional annual leave should be applied for 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 employee's rate of pay as at the date of the agreement.

There will be no increase in the normal leave "carry forward" provisions and managers and employees must ensure proper planning and management of the taking of the additional annual leave. If, having purchased additional annual leave, the employee fails to take it before the end of the relevant leave year, the leave will be lost and no reimbursement made.

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

Employees 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 employee. If the final salary is not sufficient to allow for the whole of such a deduction, the employee 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 pre-determined 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 Department. 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 buy additional leave should make their original 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 a submission to be made. If approval is given by the line manager, the Purchase of Additional Leave Form should be completed in the department and returned to HR.

The leave entitlement will be recorded, the Pay and Pension Office informed and the form filed on the member of staff's personal file.

11. Terms and Conditions

Salary Reviews

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

Overtime

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

Sick Pay/ Maternity Pay/ Adoption Pay/ Paternity/Co-Maternity 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, adoption, paternity/co-maternity 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 member of staff 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 days requested; each day considered to be about 1/365th of a year, provided that this does not reduce pay on which National Insurance Contributions are due below statutory levels.

Holiday Pay

Any holiday pay on leaving (whether owed by the staff member or the University) will be based on pre-reduction salary.

Other payments and allowances

All other payments and allowances payable by the University that are salary-related will also 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.

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