

Statutory Holiday Entitlement

Amendments to legislation and outcomes from Employment Tribunal rulings holiday ought to be taken into consideration when calculating holiday pay for the 4 weeks annual leave entitlement stated in the EU Working Time Directive.

Full Time Workers: Working a full year

Employees are entitled to statutory holiday of 5.6 weeks per year or 28 days. These are made up of 4 weeks (20 days) plus the additional 1.6 weeks (8 bank holidays) and this applies to full time workers who work 5 or more days per week.

Full Time Workers: Working part of a year

A) Starting work on the 1st of the month

A pro rata calculation will apply. Here's an example:

A full-time worker is entitled to 20 days for each 12 months worked. Their employment commences 1st October 2018 and the holiday year ends on 31st December 2018. How much holiday entitlement is due for the three months worked?

$20 \text{ (Days)} / 12 \text{ (Months)} = 1.66 \text{ Days accrued per month}$

$1.66 \text{ (Days)} \times 3 \text{ (Months)} = \mathbf{4.99 \text{ Days}}$

(This calculation excludes bank holiday entitlement).

B) Starting work part way through a month

In this example it may be more appropriate to calculate the total time worked in weeks.

Use the full-time holiday entitlement figure (20 days) divided by 52 weeks of the year multiplied by the number of weeks worked in the holiday year.

Part time workers who:

A) Work the same number of hours each day

Apply a pro rata calculation as follows:

$3 \text{ (days)} \times 5.6 \text{ (weeks)} = \mathbf{16.6 \text{ days}}$

Or

$4 \text{ (days)} \times 5.6 \text{ (weeks)} = \mathbf{22.4 \text{ days}}$


Employee must work the same number of hours each day.

Continued overleaf

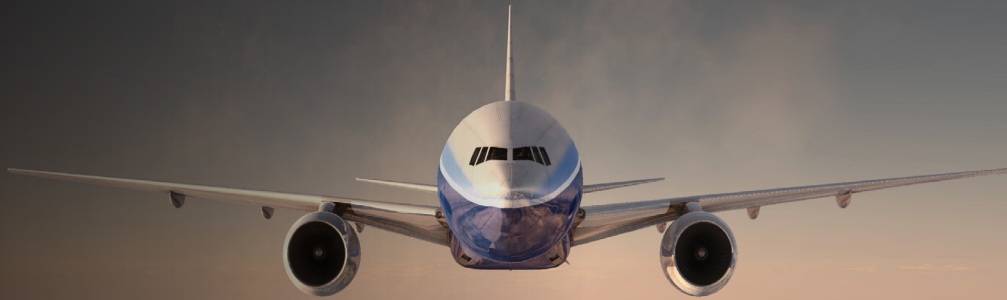
We welcome the opportunity to help you find solutions to your challenges and explore business opportunities.

 mooreandsmalley.co.uk

 @MooreandSmalley

 Offices in: Preston, Blackpool, East Midlands, Kendal, Kirkby Lonsdale, Lancaster, Liverpool, Manchester and Southport

 An independent member of
bakertilly
INTERNATIONAL



If you would like to discuss this in further detail, please get in touch with our friendly advisor below.

Contact Us

Tracey Simpson
Payroll Services Director



T: 01772 821 021
E: tracey.simpson@mooreandsmalley.co.uk

mooreandsmalley.co.uk

B) Work a different number of hours each day but work the same total hours each week

Calculate the annual entitlement in hours. Their entitlement is then relative to the full-time employee

A full-time worker does 7.5 hours per day, Mon to Fri, totaling 37.5 hours per week

$(5.6 \text{ weeks} \times 37.5 \text{ hours} = 210 \text{ hours})$

A part time worker's holiday entitlement is calculated as a proportion of these 210 hours

Part time worker does 20 hours per week

$210 \text{ hours} / 37.5 \text{ hours} \times 20 \text{ hours} = \mathbf{112 \text{ holiday hours}}$

Total hours worked x 12.07% =
Accrued holiday hours

Do we round up or down?

This is an employer decision and whatever the outcome, it must be stated in the employees contract.

C) Work a different number of hours each week (irregular hours)

These are also called 'casual workers' and there is a calculation to assist in this. For every hour worked the employee will accrue 7.242 minutes statutory holiday which converted into a percentage is 12.07%

Moore and Smalley LLP is a limited liability partnership that is registered in England and Wales under registration number OC313896 whose registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. The term "partner" indicates a member of the LLP who is not in partnership for the purposes of the Partnership Act 1890 and a list of members is available from the registered office. The LLP trades as MHA Moore and Smalley and is registered to carry on audit work in the UK by The Institute of Chartered Accountants in England and Wales and is authorised and regulated by the Financial Conduct Authority. Moore and Smalley LLP trading as MHA Moore and Smalley is a member of MHA, an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Moore and Smalley LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Moore and Smalley LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. Arrandco Investments Limited is the registered owner of the UK trade mark for the name Baker Tilly. The associated logo is used under licence from Baker Tilly International Limited. Moore and Smalley C.A. Limited is a limited company that is registered in England and Wales under company number 5373155. Its directors are Deborah Wood FCA and Christine Wilson FCA and its registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. Moore and Smalley C.A. Limited is a wholly owned subsidiary of Moore and Smalley LLP and trades as MHA Moore and Smalley. Moore and Smalley LLP (Black-pool) is a member of AISMA, Association of Independent Specialist Medical Accountants. Moore and Smalley C.A. Limited (Nottingham) is a member of AISMA, Association of Independent Specialist Medical Accountants.