

Holiday Calculation

Effective 01 April 2009 there is a minimum right to paid holiday. The main things that you should know about holiday rights are that;

- Employees are entitled to a minimum of 5.6 weeks paid annual leave.
- Part-time workers are entitled to the same level of holiday pro rata.
- Employees start to build up holiday as soon as they start work.
- Employers can control when their employees take holiday.
- Employees are paid holiday at their usual rate of pay.
- When an employee's job finishes, outstanding holiday accrued but not taken should be paid upon leaving.
- Bank and public holidays can be included in the minimum holiday entitlement
- Employees continue to be entitled to holiday leave throughout ordinary and additional maternity leave, paternity leave and adoption leave.

The table below shows how many days holiday you need to pay your employees each year pro-rata.

Number Of Days Worked (Per Week)	Calculation	Annual Holiday Entitlement (Days)
1	1 X 5.6	5.6
2	2 X 5.6	11.2
3	3 X 5.6	16.8
4	4 X 5.6	22.4
5	5 X 5.6	28.0

Employees working variable hours and no set days are still entitled to the above benefit. To calculate the holiday as a monetary value, we multiply their gross earnings by 12.07%. This value represents a holiday 'fund' that accrued holiday can be paid out of.

e.g. An employee earns £150.00 per week and works 3 days per week. (£50.00 per day) Over the year the employee is expected to earn a salary of £7,800.00, but 16.8 days of this will be holiday.

The holiday part of the pay equates to £840.00 (16.8 X £50.00) so therefore the salary part is £6,960.00.

£6,960.00 multiplied by 12.07% = £840.00. As your employee earns their salary, their holiday will accrue at this rate.

For further information, please contact your account manager.

You may also wish to visit www.payepeople.co.uk which contains useful links to legislative websites for further reading.



PAYEpeople

Helping you pay your people