

**Annual Leave Buy and Sell
Frequently Asked Questions
Updated January 2021**

1. How many days of annual leave can I buy or sell?

Employees can buy or sell up to 3 days of annual leave each calendar year from 1st January until 31st December. For example if you sell 3 days, your annual leave entitlement is reduced by 3 days and you receive the value of these back in your payslip on a monthly basis from January to December.

2. Do I need Manager approval before buying or selling days of annual leave

No. You do not need approval to buy or sell days of annual leave however in line with company policy you will need to obtain your managers approval in advance of booking any annual leave and recording it in via Workday in the normal way.

3. Will Workday be updated with my selection of bought or sold days?

Yes, Workday will be automatically updated shortly after the selection window closes.

4. What happens if I change my mind and want to buy or sell annual leave after the benefit window has closed?

Once the benefit window closes, you will not be able to change any of your selections (including either buying or selling annual leave) until the next window opens even if you have a life event.

5. How is the cost of buying or selling annual leave calculated?

The cost of 1 day's leave is based on your gross basic salary as at 1st January. To calculate this, take your annual base salary as at 1st January and divide by 260. For example: Base salary = £30,000, divided by 260 for 1 day's leave =£115.38.

If you buy holiday, the cost will be deducted from your gross salary across equal monthly instalments until the end of the year. In the example above, if you bought 1 day's leave in January for the period 1 January to 31st December, the cost of buying 1 day's leave will be deducted at £9.61 per month which is £30,000 divided by 260 divided by 12 months.

If you sell holiday the total cost will be added to your gross salary spread across equal monthly instalments to the end of the year. In the example above, if you sold 1 day's leave in April, the value of selling 1 day's, leave will be £9.61 per month which is paid into your payroll each month for 12 months.

6. I am a part time employee, will the number of days I can buy or sell be pro-rated?

No, you will be able to buy or sell up to 3 whole days the same as a full-time employee. The cost of which is calculated on your actual 1st January base salary.

7. Does buying or selling annual leave affect any other benefits e.g. pension?

There is no impact on any other benefit including pension.

8. Does buying or selling annual leave have tax implications?

Buying days via salary sacrifice means that you will save tax and National Insurance contributions on the salary you sacrifice.

Selling days increases your gross salary and tax and NI deductions are therefore applied.

10. What if I get a pay increase – does that affect the calculation of the bought or sold days?

No. The cost of buying or selling annual leave is based upon your 1st January base salary and does not adjust if there is a change mid-year. If you have a mid-year base salary increase this will be reflected in the 1st January of the following year.

11. What happens if I take a leave of absence?

If you have bought days and if the Leave of Absence is maternity related, then you will be asked to take all untaken and accrued leave before your maternity starts. Your monthly deductions will cease whilst you are on maternity leave. For other Leaves of Absence, deductions will continue to be taken.

If you have sold days you will continue to receive monthly credit to any salary that continues to be paid to you during the Leave of Absence.

12. What happens if I leave the company?

If you leave the company, any accrued untaken bought flex days to your leave date will be paid back to you.

If you sell leave, the monthly credits to your salary for sold days will simply cease.

13. Can I carry over bought days? Which leave is considered expired first?

Your bought annual leave will be considered as taken up first however in line with our current annual leave policy you are able to carry forward these days (including core leave up to a maximum of 5 days in total) into the next holiday year. Any days not used by 31st March will be forfeited.

14. I bought/sold days last year. Will I have to re-select this benefit if I want the same bought/sold days as last year?

Yes – this benefit needs to be actively re-selected and your choice from the previous year is not rolled forward.

15. Can I sell unused days from the previous holiday year instead of carrying them forward?

No – selling days applies to the new holiday year ahead. Any unused days from the previous holiday year can be carried forward in accordance with our carry forward policy.