

Holiday entitlement – Paid leave

All workers are legally entitled to 5.6 weeks' paid holiday per year (known as statutory leave entitlement or annual leave).

The annual leave (reference period and number of leaves) must be registered in the employment contract if it does exist, otherwise in a written statement.

The law requires that information must be given to the employee at the latest within two months from the start date of the contract.

The legal minimum

Under the regulations of the 1998 working time (amended on 1 April 2009), each full-time employee receives a minimum of 5.6 weeks of paid vacation, so 28 days.

Public holidays can be included in the 28 days of paid leave.

The number of paid leave of part-time staff is prorated.

Eg a person working three days a week will benefit 16.8 days in a year

A person working four days a week will benefit 22.4 days in a year

A person working half-time benefit 14 days in a year

The reference period

In the UK, there is no period of time defined by Law. It is up to the employer to decide about the period of reference.

It is quite common that British companies chose one of these two following options:

Civil year from January to December Or British financial year: from April Year 1 to March Year 2

If a leave year isn't set out in the employment contract then it will start:

- on the 1st day of a new job (if started after 1 October 1998)
- on 1st of October (if started on or before 1 October 1998), which is usually the date when rates are amended by the government in the UK..

It is usual that the same period of paid leave is used in a same group of Companies in order to simplify the accruals and consolidation of accounts at year end.

Building up leave

The UK employee is required to have taken his paid leave before the end of the period of reference stipulated in the employment contract or written statement.

Ex: we consider that the leave period runs from April 2016 to March 2017. An employee starts in July 2016.

- He will be entitled to the following paid leave: $(28 / 12) \times 9 = 21$ days
- As per law, the employee will have to use these 21 days between July 2016 and March 2017.

The balance of paid leave not taken before the end of the reference period can't be carried on to the following period of reference for leave, except when there is a specific agreement in place between the employer and the employee.

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The employment contract says how many days' leave they can carry over into the next year. If the employee gets 28 days' leave, he/she can carry over up to a maximum of 8 days. If an employee gets more than 28 days' leave, their employer may allow them to carry over any additional untaken leave. Please check the employment contract.

When workers are unable to take their leave entitlement because they're already taking time off for different reasons, such as maternity or sick leave, they can carry over some or all of the untaken leave into the next leave year. An employer must allow a worker to carry over a maximum of 20 days if the worker is off sick and therefore unable to take their leave.

Consequences on standard payrolls

The paid leave balance is not a compulsory information to show on the UK payroll. However, if this information is not available on the payroll, the amount of remaining paid leave days available must be regularly disclosed to the employees.

Usually, in standard UK payslips, the annual entitlement is made available, for example 21 days if we refer to our example above.

Some foreign companies which set up branches or subsidiaries in the UK will prefer to use a monthly accrual system of paid leave (like in France for example), which is authorized by law since April 2009. That means that the employee accrues each month 1/12 of yearly paid leave rights, i.e. 2.33 days per month if we consider a yearly entitlement of 28 days.

In case the employee leaves his/her company, the employer must pay him/her the leave earned and not taken by the date he/she leaves the company.

Applying for leave

The general notice period for taking leave is at least twice as long as the amount of leave a worker wants to take (eg 2 days' notice for 1 day's leave), unless the contract says something different.

An employer can refuse a leave request but they must give as much notice as the amount of leave requested, eg 2 weeks' notice if the leave requested was 2 weeks.

In practice, companies often put in place a specific procedure for paid leave departure that should be detailed either in the employment contract, or in the company handbook.

The employer can also set unilaterally the period of paid leave to be taken by setting the annual closing of the company during which the employee will be required to take his/her paid leave. For example, in UK the popular week is between Christmas and New Year.

Bank holidays

Bank or public holidays do not have to be given as paid leave. An employer can choose to include bank holidays as part of a worker's statutory annual leave.

If a bank holiday is on a weekend, a 'substitute' weekday becomes a bank holiday, normally the following Monday.

Please find below 2017 UK Bank holidays

- **2 January** – New Year's Day (substitute day)
- **14 april** – Good Friday
- **17 April**- Easter Monday
- **1 May** – Early May Bank Holiday
- **29 May** – Spring Bank Holiday
- **28 August** - Summer Bank Holiday
- **25 December** – Christmas day
- **26 December**- Boxing day

Source : HMRC et ACAS

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