

ANNUAL LEAVE PURCHASE SCHEME

Overview

What is the Annual Leave Purchase Scheme?

The University is introducing an Annual Leave Purchase Scheme on a trial basis, the scheme provides an opportunity for colleagues to purchase additional annual leave and spread the cost of doing so over a year through a deduction to monthly salary. The Annual Leave Purchase Scheme ("ALP" or "ALP Scheme") will allow staff to opt to purchase up to an additional 10 days' annual leave (subject to approvals). The introduction of such a scheme was discussed with UCU and the Staff Forum during Summer 2020.

Is the ALP Scheme going to be available permanently?

Initially the ALP Scheme will be implemented on a trial basis for the Annual Leave Year October 2021 - September 2022. A review will then be undertaken to determine if this is a viable scheme to offer on an ongoing basis.

Access to the ALP Scheme is entirely at the University's discretion and is not a contractual entitlement. The University has the right to withdraw or amend the ALP Scheme at any time.

Eligibility

Who is eligible to apply for the ALP scheme?

The ALP scheme is available for all staff who are on a regular annual leave scheme and who use the annual leave booking system through Employee Self-Service. There is no minimum employment service level required.

You will not be eligible if any of the following apply:

- If you are paid separately for your annual leave due to the specific nature of your contractual terms (e.g. casual workers);
- the deductions to salary would take your pay below the level of the National Minimum Wage;
- the change to salary would impact your visa eligibility whereby the deduction would result in pay falling below the salary threshold for the Standard Occupational Classification (SOC) code applicable to your role.

Can I apply for ALP if I am on a Fixed Term Contract?

You can apply to purchase additional annual leave providing you are employed prior to the deadline for applications and your contract covers a full 12 months from the beginning of the annual leave year (i.e. 1st October 2021 through to 30th September 2022).

Can I apply for ALP if I have more than one contract?

You can, providing that you meet the eligibility criteria and between the roles you will be employed for a full 12 months from the beginning of the annual leave year and are employed at the relevant time to be able to apply. Any leave that you have purchased will be pro-rated appropriately for each contract. You will need approval from the line managers from all of your contracts.

Can I still apply if I have more than one eligible contract and one of them finishes part-way through the annual leave year?

You can, providing that between the roles, you will be employed for a full 12 months from the beginning of the annual leave year and are employed at the relevant time to be able to apply, and that you remain eligible in terms of the impact to your pay in relation to any work visa or the National Minimum Wage requirements. Purchased leave will be pro-rated appropriately for each contract.

Can I apply if I work part-time?

Yes, subject to the eligibility rules in relation to the National Minimum Wage and work visa requirements. The purchased leave amount will be pro-rated to align with your part-time hours / FTE equivalent.

I am on a visa/require sponsorship to work, will I be eligible for the ALP Scheme?

Yes, you are still eligible to apply for ALP as long as the change to salary does not affect your eligibility for your visa or right to work. We will need to make some additional checks to ensure that your request can be approved.

ALP Scheme Details

How many days annual leave can I purchase?

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You can purchase up to a maximum of 10 days (or the equivalent in hours pro-rata for part-time employees) annual leave. You can only make one request in the request period and once approved this cannot be amended.

When do I have to take the leave by?

You must take this leave during the leave year for which it was requested. Carry over rules apply – see Carry Over section for further details.

Do I have to take all the purchased leave at once?

No. The purchased leave will be added to your annual leave balance in Employee Self Service (ESS) and you then can book leave in the normal way via ESS.

Will I be able to be able to sell back my days if I change my mind?

No, the University will not buy back any days once they have been approved.

Is this a contractual change to my terms and conditions?

Where a request to purchase additional annual leave is approved, this will constitute a temporary amendment to the staff member's terms and conditions of employment, for the duration of the leave year in question.

Staff members will be required to confirm that they have read and are agreeable to the terms outlined in this scheme, including the requirement to accept an amendment to their terms and conditions for the duration of the leave year and the subsequent change in pay. Consent for this change will be requested via the online application form and staff who complete and submit the request form will have therefore confirmed their consent to this temporary change to their terms and conditions.

Can I request a period of unpaid leave in addition to an application for additional annual leave?

Yes, you can request unpaid leave through ESS as normal and subject to approval.

What happens if I want to change my hours after I have purchased some additional annual leave?

If your contract changes, then your monthly deductions to pay for the ALP Scheme will remain the same for the rest of the annual leave year (subject to you remaining within the eligibility criteria). If the change means that there is a change in the rate of pay, then at the end of the

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leave year, your daily rate of pay will be re-calculated to take into account any changes and any refund/additional cost will be reconciled in your pay from the following October.

What happens if I move into another role after I have purchased some additional annual leave?

If your position changes, then your monthly deductions to pay for the ALP Scheme will remain the same for the rest of the annual leave year (subject to you remaining within the eligibility criteria). Your purchased annual leave balance will move with you to the new role. If the change means that there is a change in pay, then at the end of the leave year, your daily rate of pay will be re-calculated to take into account any changes and any refund/additional cost will be reconciled in your pay from the following October.

Please inform your new line manager that you have purchased additional annual leave.

Paying for Additional Annual Leave via the ALP Scheme

How do I pay for the additional annual leave via the ALP Scheme?

You will pay by reducing your salary (including any allowances) until the end of the leave year by an amount equivalent to the salary for the number of days/hours requested. This reduction will be spread evenly over the year from October to September. For part-time staff this will be pro-rata. At the end of the leave year your salary will no longer be reduced by this amount.

What amount will be deducted from my pay?

Annual leave will be purchased at 1/260th of your salary at the time the request is made for each day taken (pro-rata for part-time).

What are the tax and NI implications of purchasing additional annual leave?

Once a purchase has been agreed, a deduction from your gross salary (your pay before you have paid tax and national insurance) will be made, by agreement with you. The additional leave is paid for through a reduction in gross salary equivalent to the salary for the number of days' leave being taken. Because the deduction is made before tax, there are no implications for pensionable pay. Employer's and employee's pension contributions will be maintained throughout the year as if no deduction had taken place.

How does purchasing additional annual leave impact my pension?

Employer and employee pension contributions will be made as normal on the level of pay as if no deduction had taken place. Employee pension contributions will be deducted from your salary

automatically as normal and will be based on your pre-reduced pay. Queries about the impact to Pensions can be sent to the Pensions Team at pensions@reading.ac.uk.

What happens if my salary will fall below the National Minimum Wage if I want to purchase additional annual leave?

Your salary cannot fall below the National Minimum Wage after deductions have been made for the purchase of additional leave. If this will occur, then your application will not be approved by the HR Operations team.

What is the difference between purchasing annual leave and taking unpaid leave?

When you purchase annual leave, the cost for the leave is spread across the leave year via deductions from your monthly pay. When you take unpaid leave, the full amount of unpaid leave is deducted from your pay at the time that you take it. In addition, when you are on unpaid leave it is important to be aware that you do not build up any pension benefits as no contributions are payable for such a period and you may not be eligible for Death in Service benefits.

Family Leave

What happens to my pay if I take family leave?

Statutory family leave related pay (such as Statutory Maternity Pay, Statutory Adoption Pay and Shared Parental Leave) is calculated using your average pay over a period of time prior to the due date/date of matching. If, therefore, you purchase additional annual leave and your salary is reduced during that period, the statutory family pay you receive may be affected. Please speak to the HR Adviser for your School or Function.

I am on family leave when the application window is open, can I apply to purchase additional annual leave?

If you are on family leave you can still apply for additional annual leave however applications must be made within the application window.

What happens to any annual leave I have purchased if I go on family leave (maternity, paternity, adoption leave etc.)?

Any remaining balance of your purchased annual leave will be held for you to use following your return from family leave. You will not be reimbursed for annual leave purchased.

Sick Leave

What happens to any annual leave I have purchased if I am on sick leave?

Any remaining balance of your purchased annual leave will be held for you to use following your return from sick leave. You will not be reimbursed for annual leave purchased.

Carrying Over Purchased Annual Leave

If I didn't use all of my additional purchased annual leave, will I be able to carry the days forward into the next annual leave year?

Normal annual leave carry over rules will apply and you will be able to carry forward a total of 5 days (pro-rata for part-time) annual leave into the next leave year. Any unused leave above the normal 5 days (pro-rata for part-time) carry over will not be refunded and will be lost.

Please note that annual leave carry over is increased to 8 days (pro-rata for part-time) for the 20/21 leave year but will return to 5 days from the 21/22 leave year.

If you have taken family or long-term sick leave then any outstanding annual leave accrued but not taken (purchased or otherwise) will carry over into the next annual leave year where this is applicable.

Leaving the University

What happens if I leave the University having not taken all of my annual leave (purchased or otherwise)?

In line with existing practice, staff on fixed term contracts are normally expected to have used all of their annual leave, including any leave purchased under this scheme, by the end of their fixed term contract. Other staff may be paid in lieu of any normal and purchased annual leave accrued but not taken up to and including the last date of employment in their final pay.

I am leaving the University, at what rate will my purchased annual leave be refunded to me?

You will be reimbursed at 1/260th of your pay.

Effect on State Benefits

Will purchasing additional annual leave affect my entitlement to state benefits?

As purchasing additional leave involves reducing salaries, staff should be aware that if their salary falls below the Lower Earnings Limit, their entitlement to state benefits (such as state pension, statutory maternity pay, etc.) will be affected. Staff should consider this before deciding to take additional leave. Any queries should be raised with Payroll at payroll@reading.ac.uk.

Requesting Additional Annual Leave

How do I make a request to purchase additional annual leave?

You must complete the online form to make a request to purchase annual leave under this Scheme. The form will include the appropriate approvals from line managers and will then be sent to Payroll to ensure your request is eligible, and if so (following any approval required from the Head of School/Function where appropriate) the request will be actioned and the balance requested added to your leave balance in ESS.

Who needs to approve my request?

Your request will need to be approved by your line manager with oversight from the Head of School/Function. Following the application deadline, Heads of School/Function will have the opportunity to review reports of requests from their areas to ensure that there will be no operational or wellbeing concerns as a result of granting requests. Heads of School/Function may recommend amendments to or refuse requests received if the request(s) will have a detrimental impact in anyway.

Once approved, this will go to Payroll to review to ensure that the request falls into the eligibility criteria and then once this is confirmed, the request will be actioned and the individual notified.

When can I apply to purchase annual leave?

Applications may be made from 1 June 2021 until 31 July 2021. Applications received after 31 July 2021 will not be considered. For the trial year, you will only be able to apply once and only during the application open dates. Requests outside these dates will not be approved.

Can I apply at another time during the year?

No. You will only be able to apply during the application window from 1 June to 31 July 2021. The application window may be different in the future if the scheme continues beyond the trial.

How do I take the additional annual leave?

Once your leave has been fully approved it will appear in your annual leave allocation on ESS and you will then be able to book leave in the usual way.

Can my line manager decide not to approve my request?

Yes, approval of applications is at the discretion of your line manager and Head of School/Function where relevant.

My application has been rejected by HR – why is this?

Even with the support of your line manager, your application may be rejected by HR,:

- if you are not on a regular annual leave scheme and do not book your leave via ESS;
- if the deductions to salary would take your pay below the level of the National Minimum Wage;
- if the change to salary would impact your visa eligibility.

Is there a right to appeal if my line manager refuses my annual leave purchase request?

There is no right of appeal if your manager does not approve the request.

Further Queries

Further queries can be sent to HR Operations at HR@reading.ac.uk.

Additional Information for Line Managers

Do I have to approve a request for purchasing annual leave?

Line managers should exercise their discretion responsibly and think carefully about what the workload implications will be on other team members and whether they can prioritise and de-prioritise areas of work as appropriate to ensure workloads remain equitable and achievable. Managers are encouraged to consider requests fairly and consistently. For example, the request may support a colleague's wellbeing or help them with particular family circumstances and wherever possible it is hoped that requests will be supported unless there are critical business and/or performance reasons why it is appropriate to reject the request.

If there are operational concerns identified, the line manager should discuss these with the employee and either decline the request or discuss alternative options, for example, agreement of a lesser number of days than had been initially requested. If, after due consideration, a request has to be turned down, the reasons for doing so should be given to the member of staff by their line manager.

Line managers should also remember that they will still need to approve the days when the purchased annual leave is taken, in the same way as with all other annual leave.

Following the application deadline reports can be provided to Heads of School/Function to review the requests with line managers to ensure that the requests do not negatively impact service delivery, customer service or other staff, as well as ensuring that approvals granted are equitable where appropriate. Heads of School/Function may amend or refuse any requests where they could result in a detrimental impact in some way.

For what reasons can I reject an application?

You should give any application fair consideration, however where supporting an application may cause a detrimental impact, you may wish to reject the application. Examples where you may wish to reject an application could be for the following reasons (this is not an exhaustive list):

- Current staffing issues;
- Deadline-driven work;
- Planned structural changes;
- Detrimental impact on student experience or service delivery;
- Where there would be a detrimental impact on the workload of other staff;
- Where the line manager is addressing performance concerns or other formal processes are underway and taking additional leave will negatively impact these processes. Please speak to your HR Adviser or Partner if needed.

If you are unsure about the request, please speak with your HR Adviser or HR Partner.