



## **INCREASE HOLIDAY ENTITLEMENT**

With effect from 1st October 2007 your employees will be entitled to more annual paid leave. That's the date when rules on the minimum legal holiday entitlement change. The changes are all part of the Government's commitment to ensuring that paid bank and public holidays are given in addition to the current minimum four week holiday entitlement.

### **WHAT'S CHANGING - AND WHEN?**

The changes will take place in two stages, as follows:

From 1st October 2007 the legal minimum holiday entitlement for UK workers above school leaving age will increase from 4 weeks to 4.8 weeks – this is equivalent to 24 days' holiday instead of the current 20 days (inclusive of bank and public holidays), for someone working a 5-day week.

From 1st April 2009 (as currently scheduled but this may change) the basic legal entitlement for all workers will increase to 5.6 weeks. The legal minimum entitlement will be further increased to 28 days – though an employer may choose to give more.

Part-time workers must receive annual holidays equal to 4.8 and then 5.6 times their usual working week, regardless of which days of the week they usually work.

Bank and public holidays will thus be included in this entitlement.



## **OTHER THINGS YOU NEED TO KNOW ABOUT THE CHANGES**

Following the changes employees will no longer have to work for a qualifying period. They will benefit from the full new holiday entitlement as soon as they start work. However you can restrict the rate at which leave is taken during their first year of employment (so for example, an employee could not take all their holiday in the first few weeks).

If you already pay all your full-time and part-time employees for at least 5.6 weeks' holiday – including bank and public holidays – this change will not affect you.

It may be possible, for one year only, to carry the additional holiday entitlement through to the following holiday year, but the additional days would have to be taken during that year.

Payment in lieu may be given instead of the additional holiday, if both worker and employer agree – but only until 1st April 2009. Four weeks' leave must still be taken in each holiday year. After 1st April 2009, payment may not be made in lieu of any part of the basic legal entitlement.

This change does not make it necessary for employers to issue employees with new contracts of employment, but employees must be informed in writing of their new entitlement.

Holiday calculations may result in an entitlement to part days of holiday. This entitlement may not be rounded down to the nearest full day, but apart from this stipulation, the employer may decide how best to handle part days.

These changes relate to England, Wales and Scotland. The Department for Employment and Learning in Northern Ireland is bringing forward proposals for Northern Ireland.

Obviously, providing additional paid holidays for your staff is going to increase your costs. As these changes affect workers too, all employment agencies supplying agency workers to customers will face the same cost increases. You should therefore anticipate higher prices from any such suppliers to your organisation.

### **WHAT DO YOU NEED TO DO NOW?**

Depending on when your holiday year starts, you will have to calculate the increase for your staff pro rata, from 1st October 2007.