



PRIFYSGOL
BANGOR
UNIVERSITY

POLICY FOR BUYING ADDITIONAL ANNUAL LEAVE

Rev	Date	Purpose of Issue/Description of Change	Review Date
1.	Dec-13	Conversion to salary sacrifice	December 2013
Policy Officer	Senior Responsible Officer	Approved By	Date
Director of HR	Senior HR Officer	HR Task Group	Sept-12

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1 Introduction

- 1.1 The University is committed to supporting employees to achieve a healthy balance between their work and personal lives, this is in the best interests of the University and the well-being of individual employees. This policy outlines the option and process for buying additional leave and builds on the existing leave provisions available to employees.
- 1.2 The Staff Survey undertaken in 2012 indicated that work-life balance of staff members is generally good, the University has however identified further improvements that can be made to its overall provision in this area.
- 1.3 The opportunity to buy additional annual leave complements the other elements offered within Bangor Benefits such as salary sacrifice for pensions, childcare vouchers, Cycle to Work scheme and other forms of leave available such as parental leave. Further information on these can be obtained by contacting the HR department or visiting the HR web-pages. It is also separate from other forms of leave such as unpaid leave, compassionate leave and so forth.
- 1.4 The ability to buy additional leave is via a salary sacrifice arrangement. Salary sacrifice is an agreement between the University and the staff member to vary the terms and conditions of employment to reduce the entitlement to cash pay, in return for non-cash benefit. The non-cash benefit in this case is additional annual leave. The salary sacrifice arrangement is financially beneficial as the non-cash benefit (additional leave) is exempt from tax and national insurance contributions.
- 1.5 Bangor University offer this benefit in partnership with P&MM Employee Benefits Ltd, with applications being made via P&MM's web portal. P&MM Ltd refer to this benefit as 'holiday plus'. Staff members benefit from the use of an on-line application process, and an on-line calculator available to gauge the actual cost of buying leave when considering an application.

2 Eligibility criteria

- 2.1 This benefit of being able to purchase additional annual leave applies to Bangor University staff members, excluding the following:
 - Employees engaged on a fixed-term / temporary contract for less than 12 months.
 - Employees engaged on contracts that do not contain fixed hours (referred to as 'zero-hours' or 'variable hours' contracts)
 - Individuals employed directly by University subsidiary companies.

3 Buying Leave

- 3.1 Members of staff who satisfy the eligibility criteria can currently apply to buy an unspecified amount of annual leave in support of the Universities currently financial objectives. The University retains the right to alter and specify maximum leave application amounts in the future.

3.2 The request to buy additional leave can be made in two ways;

i) Via the use of a web portal that can be accessed via the HR web-pages. The portal contains the FAQ's contained in this policy, a calculator which will enable you to gauge the cost of the days purchased, and an application process that will then provide you with an application form that is to be signed by your Line Manager and Head of School / Unit, and then forward to HR by the date specified in section 3.4 below.

ii) By telephoning the HR department or P&MM Ltd directly who will make the application on your behalf and provide you with an application form for signature and approval by your Line Manager and Head of School / Unit.

All applications will be given full consideration by the Line Manager in light of the operational requirements of the work area, and the application is only approved once the Line Manager / Head of School / Unit has signed the agreement.

3.3 Where it is not possible to accommodate the request, the Head of School / Line Manager will provide the staff member with an explanation as to why the request cannot be approved. Should the staff member wish to appeal against this decision, this must be done so in writing to the Head of College (or equivalent within service areas) within 10 working days from being notified of the decision. Should the application be approved via appeal, but this take place after the respective cut-off date has passed (1st of February or August), then salary deductions will commence from the next available month, with two monthly deductions being made in the first month.

3.4 Staff members will have an opportunity to apply for additional bought leave at three points during the year:

- Prior to the start of the annual leave year during July, with the approved application form being received by the HR Department by the 1st of August.
- October of each year, with the approved application form being received by the HR Department by the 1st of November.
- January of each year (half way through the annual leave year) with the approved application form being received by the HR Department by the 1st of February.

Staff members should discuss their requirements as soon as is practicably possible with their Line Manager, so the impact on the work area can be assessed in good time. The web portal from which the application form is obtained will be available at least one month in advance of the respective closing date. Availability of the portal will also enable staff members to access the on-line calculator.

- 3.5 The leave may be taken at any time during the year (or half year). It does not have to be taken together as a single block or the dates specified at the point of the application being made. When the leave is to be taken, it is to be processed in the same way as contractual annual leave – by application and approval from the line manager.
- 3.6 The bought leave is a temporary addition to annual leave entitlement for one year.

4 Payment for additional leave

- 4.1 As was outlined in section 1.4 the additional days' annual leave will be bought by the employee through a deduction from their pay via a salary sacrifice arrangement. The arrangement is financially beneficial as the additional leave is exempt from tax and national insurance contributions. The net deduction will however to be subject to an individual's tax position.
- 4.2 The deduction from pay will be made per month for the remainder of the leave year i.e 12 monthly deductions where the application is made by the 1st of August, 9 monthly deductions where application is made by 1st of November and 6 monthly deductions where the application is made by the 1st of February, half-way through the leave year.
- 4.3 The value of a day's leave is defined in section 5. Pension contributions will remain unchanged as both the employer and employee contributions will continue to be made on normal pay i.e prior to the deduction for bought leave being made.

5. Calculation of a days' leave

- 5.1 The calculation of a days' leave will be as shown in the following examples. The P&MM web portal through which an application is made contains a calculator that will enable staff members to confirm the cost prior to making an application.

Example 1

A full-time employee receives 27 days leave and wants to buy an additional 5 days. They earn £20,000 per annum.

The cost of buying the five days is £384.60. Should this be paid back over 12 months the monthly gross deduction from pay would be £32.05 per month. The net repayment per month however would be £21.79 resulting in a saving of £123.12 from buying leave via a salary sacrifice arrangement*.

Example 2

A part-time employee works 0.50fte (18 hours per week) and wants to buy an additional 3 whole days (an additional 21.75 hours, 1 day = 7.25 hours). They earn a pro-rata salary of £12,000 per annum. The additional leave is bought in whole days (7.25 hours) and then can be converted to hours to be used as per normal leave arrangements.

The cost of buying 21.75 hours is £278.88. Should this be paid back over 12 months the monthly gross deduction from pay would be £23.24 per month. The net repayment per month however would be £15.80 resulting in a saving of £89.28 from buying leave via a salary sacrifice arrangement*.

In the above example the daily rate is based upon the full-time equivalent salary.

* Dependent upon personal taxation circumstances and does not take into account the personal tax allowance.

- 5.2 The payments will be deducted from salary based on the number of months remaining in the leave year. If the additional leave is bought prior to the 1st of August, 12 equal monthly deductions would be made. By 1st of November, 9 equal monthly deductions would be made, and by February the 1st of the leave year, then 6 monthly deductions would be made. It is not possible to vary the period over which the deductions are made.
- 5.3 As is evident from the examples above, additional annual leave is not a taxable benefit, so there is no income tax or national insurance (NI) payable on the value of the days bought. This means that the net cost is reduced by up to 33% for a basic rate tax-payer and 41% for a higher rate tax payer.
- 5.4 A one off payment of £30 will also be deducted from the first month's salary. This fee is payable to P&MM Ltd and is only payable by the staff member for an approved application to buy additional leave, regardless of the number of days bought.

6 Responsibilities

- 6.1 The table below outlines the responsibilities of the parties involved.

Employee	Line Manager/ Head of School	HR Department
<p>To request the additional leave within the required time period.</p> <p>To provide the necessary information when requesting additional leave (accurate completion of the on-line application).</p> <p>To monitor own annual leave entitlement, including any additional leave purchased.</p>	<p>To administer the application of this policy fairly for all employees.</p> <p>To consider all requests to buy additional leave promptly.</p> <p>Where a request cannot be approved, to provide the staff member concerned with an explanation and inform them of appeal process.</p> <p>To monitor the leave of</p>	<p>To communicate this policy to staff members.</p> <p>To provide guidance to staff members and Line Managers on the application of this policy.</p> <p>To liaise with P&MM Ltd to ensure that the service and support is provided in accordance with agreement.</p> <p>To monitor the uptake of</p>

	their staff, including any additional leave purchased.	this policy and benefit.
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7. General considerations

- 7.1 The additional leave bought will be added to the employee's annual leave entitlement for the year and may be taken at any time during the annual leave year subject to the usual approval arrangements.
- 7.2 Any additional leave purchased cannot be carried over into the next leave year unless there were exceptional circumstances that prevented the leave being taken. It is therefore assumed that the additional bought leave is used first.
- 7.3 Once an agreement has been made and the monthly deductions have commenced it becomes a binding agreement between the staff member and the University. The staff member cannot normally reverse their decision unless there are exceptional circumstances. These circumstances are referred to key life changes, which would include marriage or divorce, severe illness of either the staff member or a member of their family, having to reduce hours of work or pay, or the potential job loss of either the staff member or partner.
- 7.4 Where an employee leaves part way through the leave year, their annual leave allowance will be calculated on a pro-rata basis up until their last completed calendar month of employment, plus any additional bought leave. Any debit in the amount of leave taken or balance of monies to be repaid in respect of days bought will be recovered automatically from the employee's final pay. Any outstanding leave should normally be taken in the notice period.

8. Implementation and Review

- 8.1 All parties involved in the operation of this policy have the responsibility for ensuring that the application of this policy is in line with the University's Equal Opportunities Policy and Code of Practice.
- 8.2 This policy will be monitored and reviewed on a regular basis, to ensure that it meets the needs of the University and to ensure compliance with the relevant legislation.
- 8.3 This policy has been Equality Impact Assessed based on consultation and information available at the time of the policy being developed. It is recommended that an equality review of the policy takes place, and thereafter on an annual basis. This should include consideration of any data (qualitative and quantitative) that could identify any equality related issues that have arisen and require consideration.

