

Community First Academy Trust Buying and Selling Annual Leave Policy



Community First
Academy Trust

ADOPTED AT THE MEETING OF DIRECTORS

HELD ON 28th March 2017

CHAIR OF BOARD: Mr J Pugh

This is a Trust-wide policy adopted and reviewed by either the Trust Board or Finance Committee and relates to all schools that are partners within the Trust.

Specific Academy policies, e.g. curriculum policies will be found on the individual school websites.

This policy was written in March 2017. It will be reviewed every three years by the Board of Trustees.

Next review date: March 2020.

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1. Introduction

This policy is administered to reflect the best interests of both the trust's service delivery and the well-being of employees. The trust currently allows **full year** employees the opportunity to request to buy and sell annual leave. In the event of buying leave this will be done on a salary sacrifice basis. Management reserve the right to refuse any employee request to buy or sell leave for any of the following reasons, although this is not an exhaustive list:

- Budgetary reasons
- Operational or technical reasons
- Management consider the request not to be in the interests of the trust or employee.

This scheme is not designed to replace the current policy for enabling employees to carry up to five unused days annual leave into the next holiday year (reduced appropriately if you are part time), but will work in conjunction with it.

The scheme does however replace all previous arrangements that followed the single status agreement, which stipulates that:

- Only leave in excess of the 5 days leave carried forward can be sold
- Leave can only be sold in full day blocks

For all full year employees: Annual holidays are in all cases required to be taken during the recognised school holiday periods. Individual requests for leave outside of school holidays will be considered in exceptional cases by the Central Team, Headteacher or Head of School.

2. Policy Statement

The trust is committed to providing high quality services and is continuously striving to be an 'employer of choice'.

The buying and selling of annual leave provides opportunities to achieve greater work-life balance for staff whilst delivering high quality services in the most cost effective way.

It is envisaged that this will play a key part in ensuring:

- support for any possible recruitment and retention issues can be identified within the trusts Succession Planning Strategy;
- an improved work life balance for trust employees
- an increase in morale and satisfaction levels; and support our flexible working practices and procedures.

The trust expects its Partner Schools and its Local Academy Boards and Managers to:

- take responsibility for implementing this policy fairly and consistently and in accordance with the Trust's commitment to equality and diversity.

The Trust expects its employees to:

- co-operate with and maintain communications with their line manager.

3. Scope

This policy applies to everyone who is employed by the Trust whether temporary or permanent, but **excludes** those employed on **term time contracts** or **term time plus additional weeks** and those employed on a **casual basis**.

4. Policy guidelines

The Trusts current holiday year runs annually from 1st April to 31st March.

The arrangements for buying and selling annual leave are as follows.

4.1 Buying annual leave

The maximum amount of annual leave that an employee may buy in any one year as a full time employee is five days; this will be appropriately reduced if an employee works on a part time basis.

An employee cannot buy leave, if by doing so the monthly payment arrangements will take them below the national minimum wage.

Applications for buying annual leave relate to the current leave year and must be made between 1 April and 31 December. The cost of any leave purchased will be deducted from an employee's salary in equal amounts over the remaining months within the holiday year.

Any additional annual leave granted under this scheme must be taken within the holiday year for which it has been agreed. If, having bought additional leave, an employee fails to take it before the end of the relevant holiday year and s/he has more than five days leave to carry over or service requirements prevent them from carrying five days over; the leave will be lost altogether. In these circumstances, no compensatory payment or salary adjustment will be made.

Buying annual leave is treated as a salary sacrifice under current HMRC guidelines. Within the arrangements of this salary sacrifice scheme, the Trust will allow an employee to surrender part of their salary and in agreement will provide them with a non-cash type benefit. As the cost of the non-cash type benefit is deducted from the employee's gross salary, before statutory deductions, the employee is able to save on income tax and national insurance contributions. This policy may change in line with any change to current HMRC policy on salary sacrifice schemes.

Requests for buying annual leave outside of the agreed window will not be considered except in exceptional circumstances such as a significant lifestyle change. In the first instance an employee should discuss this with their line manager. Such requests can

only be authorised by the either the Trusts Central Team or and Academy Head Teacher. In the event of an employee purchasing additional leave outside of the agreed windows, s/he will not make any savings on income tax and national insurance contributions.

If an employee chooses to buy leave between April and December you cannot then sell leave later on in the leave year.

4.2 Selling annual leave

The maximum amount of annual leave that an employee may 'sell' as a full time employee in any one year is five days; this will be reduced appropriately if the employee is part-time. When making a request to 'sell' leave, the employee should be aware that they must take a minimum of 28 days annual leave each year including bank holidays. An employee cannot 'sell' leave that would take them below the statutory minimum period of holiday's days each year.

Applications for selling annual leave relate to the current leave year and must be made in between 1 January and the 31 March.

Payment for any leave sold will be made as a one off payment within the employees next available pay date following entering into the scheme. All payments will be made with the employee's usual salary and will be subject to their usual salary Tax and National Insurance contributions.

Requests for selling annual leave outside of the agreed window will not be considered except in exceptional circumstances such as a significant lifestyle change. In the first instance you should discuss this with your line manager. Such requests can only be authorised by the relevant Head teacher or Senior Manager.

An employee will be unable to sell leave in the selling application window if they have already purchased leave earlier on in the year.

4.3 Procedural guidelines

Employees must make applications to buy or sell annual leave by submitting an email request to their line manager in the first instance.

Once received, the email will automatically be forwarded to the relevant payroll team to be checked and to ensure that the request will not breach the statutory minimum holiday requirements. The employee's line manager will then discuss the request with the relevant Headteacher or Head of School for possible approval.

Please note that employees who do not meet the eligibility criteria will be notified as part of this process.

If an employee is buying annual leave they will be sent a variation to contract letter which an employee will be expected to sign and return to the relevant HR team before the salary sacrifice can be agreed or commenced.

5. Eligibility and Conditions of the Scheme

5.1 Eligibility of Scheme

To be eligible for the scheme an employee must:

- be on a permanent contract **or**
- be employed on a fixed term contract with more than 12 months remaining **or**
- reasonably expect to have at least 12 months employment remaining with the Trust **and**
- earn above the statutory minimum wage after taking into account the amount to be sacrificed
- be in receipt of salary at the time the reductions commence
- be in receipt of a regular monthly salary

All of the above eligibility criteria will be checked by the Trusts HR team on receipt of an application.

5.2 Conditions of the Scheme

A condition of this scheme is that an employee will be required to repay any outstanding balance in full due to any of the following circumstances:

- He or she voluntarily leaves employment with the Trust whilst having agreed to purchase additional leave
- Early retirement/voluntary/compulsory redundancy

6. Adjustments to pay

Where an employee chooses to buy or sell annual leave, a reduction or enhancement to their annual salary will be made by calculating the employee's daily rate of pay. Selling annual leave will be subject to tax and national insurance contributions but pension contributions will not be deducted.

7. Further information

Further advice and support is available from the trusts central HR team.