Department for
Business, Energy
& Industrial Strategy

HOLIDAY ENTITLEMENT

Guide on Calculating Statutory Holiday
Entitlement for Workers

November 2019

INDUSTRIAL STRATEGY

Contents

Introduction

This document provides guidance on how statutory holiday entitlement may be calculated for workers on different types of contract. It has been designed as a practical guide for employers and workers to accompany the holiday entitlement calculator.

Holiday legislation grants almost all workers 5.6 weeks paid annual leave a year. This includes agency workers, workers with irregular hours and workers on zero-hours contracts. This entitlement is set out in the Working Time Regulations 1998[1]. Guidance on how to calculate the pay that a worker is entitled for their statutory leave entitlement is available online[2].

A worker continues to accrue holiday entitlement while they are on sick leave, maternity leave, paternity leave, parental leave, shared parental leave and adoption leave (collectively known as 'statutory leave'). A worker may request holiday at the same time they are on sick leave (but cannot be required to take holiday while on sick leave).

Please note:

- This guidance is focussed on the legal minimum entitlement of 5.6 weeks' paid holiday. Many individuals will have contracts entitling them to additional paid holiday beyond the statutory minimum. Individual contracts should be checked first.

- All references to 'worker' refer to all individuals whose employment status is either as a 'worker' or an 'employee', meaning they are entitled to paid holiday. For further information on employment status and definitions please visit GOV.UK.

- This guidance refers solely to the holiday entitlement aspect of paid annual leave. The leave calculated using this guidance must be paid to qualify as part of the statutory 5.6 weeks.

- This guidance makes references to leap years and leap days. A leap year is a calendar year containing an additional day added to keep the calendar year synchronized with the astronomical or seasonal year. The additional day, referred to in this guidance as a 'leap day', is the 29th February. The next leap year is 2020 and the next leap day is 29th February 2020.

- This guidance should be used to calculate the statutory minimum leave entitlement. As such, the entitlement calculated must not be rounded down (and in certain circumstances must be rounded up).

- Throughout this guidance, exact figures are used in calculations. The final figure may therefore not precisely match the calculation written before it. This approach is taken to mitigate rounding errors; the figures in the written calculation are rounded, but the figures in the actual calculation are not. Answers are rounded up to the same accuracy as in the statutory holiday entitlement calculator available on GOV.UK.

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[1] Working Time Regulations 1998: regulations 13, 13A, 15A and 16 (subject to some limited exceptions, for example for services such as the armed forces or the police in certain circumstances, see regulation 18(2)(a)). There is also separate legislation for particular sectors or occupations, such as for agricultural workers and seafarers (for example, see regulation 18 of the Working Time Regulations).
[2] https://www.gov.uk/holiday-entitlement-rights/holiday-pay-the-basics

Using this Guidance

Before reading this guidance please check the [information](#) on GOV.UK on the basics of how holiday entitlement should be calculated as this guidance is designed to complement what is available.

This guidance contains additional detail and is designed to complement the guidance already available on GOV.UK. It should be used to help improve understanding of how to calculate statutory holiday entitlement. However, it does not and cannot provide definitive answers to individual queries. It is not intended to be relied upon in any specific context or as a substitute for seeking advice (legal or otherwise) on a specific circumstance, as each case may be different.

Whether you are a worker or employer, if you are unsure about any aspect of holiday pay entitlement you can contact Acas:

- www.acas.org.uk

- Telephone: 0300 123 11 00

- Textphone: 18001 0300 123 1100

Definitions

This guidance is split into four sections, with each section covering holiday entitlement calculations a different type of working arrangement. These are defined below to provide clarity for users. Definitions of other common terms are also provided.

Section 1 - Days Worked per Week

Individuals with a fixed working pattern involving a set number of days of equal length. Leave can be calculated in days of fixed length.

This option can also relate to those who work a pattern of days over a fortnight (e.g. a nine-day fortnight), as they will have a fixed "average" working week (in this case 4.5 days a week makes up a nine-day fortnight).

Example working patterns:

- 5 days a week, with each day being 8 hours long

- 3 days a week, with each day being 6 hours long

- 9 days every two weeks, with each day being 7.5 hours long

Section 2 - Hours Worked per Week / Compressed Hours

Individuals contracted to work a set number of hours in a period of time, over days of different lengths. This can be working over a week, a fortnight, or another working pattern.

For some workers who work a fixed number of hours but not the same number of hours each day, or who work part-time, it may be more appropriate to calculate their holiday entitlement in hours. The same may be the case for those who work compressed hours (full-time hours over fewer days).

Example working patterns:

- 25 hours a week, over 4 days. Monday and Wednesday being 8 hours long, Tuesday and Thursday being 4.5 hours long

- 40 hours a week, over 5 days. Monday, Wednesday and Thursday being 10 hours long, Tuesday and Friday being 5 hours long

Section 3 - Casual, Irregular or Annualized Hours

Individuals who do not have guaranteed hours or who do not have a regular working pattern. As there is no fixed work pattern on which to base annual leave, the entitlement should instead generally be kept in weeks.

For workers who do not have regular hours, or who are on an annualised hours contract, it may be appropriate to grant paid annual leave to be taken during periods when no work is performed. This depends on the particular circumstances, and employers must ensure workers are able to take their full leave entitlement. This may also include workers on casual employment contracts.

Example working pattern:

- A worker on a zero-hours contract who only works when they are offered work by their employer. They are not obligated to accept this work, and have no regular hours.

Annualised Hours

For the purposes of this guidance an annualised hours contract is defined as a contract which allocates a worker a certain number of hours that will be worked during a particular leave year. The expectation is that there will be periods of the leave year where no work is performed, which is when annual leave will be taken.

Example working pattern:

- An agricultural worker who is contracted to work 1,200 hours over the course of the year. The actual time spent working varies depending on the season and the business need.

Section 4 - Shift Workers

Individuals contracted to work a regular pattern involving a set number of shifts over a set number of calendar days. For the purposes of this guidance, it is assumed that a shift is equivalent to a full day's work; i.e. workers cannot work more than a single shift a day.

Workers on shifts frequently do not have their shift pattern aligned to a week. Therefore, holiday entitlement in these calculations is based on an average week worked, using the shift pattern to calculate how many shifts are worked on an average week. It is assumed that shifts are of equal length. The calculations will be different if this is not the case.

Where shifts are not of equal length, the sections on shift workers below will not apply. In this case it may be more appropriate to calculate leave in hours based on the methodology laid out under "Hours Worked per Week". It may still be necessary to calculate the average hours and average days worked in a week in order to perform the calculations accurately.

- 5 shifts of 8 hours each worked every 8 days.

- 3 days of work on (9 hours each), 2 days off (3 shifts every 5 days).

Leave Years

When a worker starts a job, the timing of their leave year may be specified in a relevant agreement[3]. If the worker's leave year is not specified in an agreement, then it simply starts on the first day of the job.

The timing of the leave year is important when specified as it governs how much leave a worker can take. Workers should be given the opportunity to take their annual leave inside the leave year that it accrues[4]. A leave year is either 365 days or 366 days, depending on the

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[3] A "relevant agreement" means a workforce agreement, a collective agreement which forms part of a contract between the worker and employer, or any other agreement in writing which is legally enforceable between the worker and employer.
[4] The Working Time Regulations entitle workers to 4 weeks' leave which must be taken within the leave year (regulation 13), and a further 1.6 weeks' leave (making 5.6 weeks in total, regulation 13A) which may be taken in the following leave year (but no later).

inclusion of a leap day (February 29th). Examples throughout this guidance are based on the appropriate length of year or leap year based on the dates used.

1   Calculating Leave for a Full Leave Year

Workers who have regular working hours and a fixed length of working day should have their holiday calculated in days. This is the most straight-forward calculation.

Workers who are in employment for a full leave year are entitled to 5.6 weeks' statutory leave subject to a cap of 28 days. In practice, this cap only affects a worker if they work for more than 5 days a week.

See section 2 for how workers may accrue leave when they are in the first 12 months of a job.

Days per Week

The statutory holiday entitlement for a worker who works a full leave year is the lower of:

    a) 28 days; or
    b) 5.6 x days worked per week

Example 1:

Andrew works 4 days per week, with each day being 8 hours long. His statutory leave entitlement is the lower of 28 days or 5.6 x 4 days per week, which is 22.4 days.

Therefore, Andrew's statutory leave entitlement is 22.4 days.

Example 2:

Beckie works 6 days per week. Her statutory leave entitlement is the lower of 28 days or 5.6 x 6 days per week which is 33.6 days.

Therefore, Beckie's statutory leave entitlement is 28.0 days.

Hours per Week / Compressed Hours

Where workers work a fixed number of hours each week but not the same number of hours each day, the legislation does not state exactly how to incorporate the 28-day statutory cap. In our view it is appropriate to incorporate the cap as 28 days of the average working day.

Therefore, statutory leave entitlement should be calculated in days, and then multiplied by the average length of the working day.

Statutory Leave = annual entitlement in days × average working day in hours

As covered in section 1.1 of this guidance, entitlement in days is the lower of:

    a) 28 days; or
    b) 5.6 x days worked per week

The average working day is defined as:

$$\text{Average Working Day} = \frac{\text{hours worked per week}}{\text{days worked per week}}$$

Example 1:

Irene works a total of 30 hours over 4 days a week, working 9 hours on Monday and Wednesday and 6 hours on Tuesday and Thursday.

Her statutory entitlement in days is the lower of 28 days or 5.6 x 4 days (22.4 days). Therefore, Irene's full statutory annual leave is 22.4 days.

Her average working day is 30 hours divided by 4 days, or 7.5 hours per day.

Therefore, Irene's statutory holiday entitlement for a full leave year is 22.4 days x 7.5 hours = 168.0 hours a year.

Depending on which days she takes off as leave, it will either be 6 hours or 9 hours from her total leave entitlement.

Casual, Irregular or Annualized Hours

Workers who are in employment for a full leave year are entitled to 5.6 weeks' annual leave. The Working Time Regulations do not set out how to convert this into entitlement in days or hours for workers with irregular hours. In practice, if needed, employers may wish to calculate average days or hours worked each week based on a representative reference period, although the Regulations do not expressly provide for this. In all cases, employers must ensure that each worker receives at least 5.6 weeks' annual leave per year.

Shift Workers

A shift-worker is entitled to 5.6 weeks' annual leave each year, although this is still subject to the 28-day cap. In practice this is often calculated in shifts' worth of annual leave[5].

The legislation does not state how to calculate statutory annual leave specifically for shift workers. In our view, an appropriate practical approach is to make calculations on the basis that shift workers are entitled to 5.6 weeks of their *average* working week, restricted to 28 days of shifts. Therefore, a shift worker's full statutory annual leave entitlement is the lower of:

a) 5.6 weeks x average shifts per week; or
b) 28 days' worth of shifts

c) Average shifts per week are calculated as: $\dfrac{\text{Shifts per shift pattern}}{\text{Calendar days per shift pattern}} \times 7$

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[5] This is on the basis that the shifts are all the same length, as noted in the definitions section on page 6 above. For workers with shifts of different lengths, do not use this category, and instead check whether they fall within the "hours worked per week" category described in the definitions.

Example 1:

Wanda works 4 shifts every 9 days.

As Wanda's shift pattern does not align with a calendar week, the first step is to calculate her average shifts per week:

$$\frac{4}{9} \times 7 = 3.1 \text{ shifts per week}$$

Wanda's statutory annual leave entitlement is then the lesser of 5.6 x 3.1 shifts (17.5 shifts) or 28 days' worth of shifts.

Therefore, Wanda's full statutory annual leave entitlement is 17.5 shifts per year.

2 Calculating Leave for Somebody Starting Part-Way Through a Leave Year

Where workers start employment part-way through a leave year, the leave must be pro-rated to their time in employment. The methodology as to how this leave is calculated is laid out in this section.

Where the leave year is set by an agreement, it is very likely that the worker will not start on the first day of the leave year, and so start part-way through the leave year. Workers who start part-way through a leave year are entitled to a pro-rating of their annual entitlement of 5.6 weeks. This is based on the proportion of the leave year remaining. For example, if a worker starts a job with only half of the leave year remaining, they are only entitled to half of the annual leave entitlement for the full year.

Workers in the first 12 months in a job

The calculations laid out in Section 2 of this guidance and used in the corresponding calculator explain how to calculate the leave entitlement for a worker to the end of the leave year. However, the Working Time Regulations provide particular rules for the first 12 months in a job. The leave a worker may take accrues in steps as the worker progresses through the first 12 months. Under this system, a worker gets one-twelfth of their full annual leave entitlement on the first day of each month, bringing it up to the calculated total by the end of the leave year (regulation 15A of the Working Time Regulations). [6, 7] If the total includes a fraction of a day, it is then rounded up. If the fraction of a day is below a half day it is rounded up to the next half day, if it is above a half-day it is rounded up to the next whole day.[8]

For example, if a worker starts employment part-way through a leave year, they will receive 1/12th of their full annual leave entitlement on their first day. After they have been in employment for a full month, they receive another 1/12th of their full annual entitlement on the first day of the second month, and again on the first day of the third month, continuing to the end of the leave year.

If a worker leaves prior to the end of the leave year, the more appropriate calculation is "For Somebody Starting and Leaving Part-Way Through a Leave Year"; see Section 4.

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[6] The legislation does not state whether the start of a month means the first day of each calendar month (for example 1st January, 1st February etc), or whether the first month begins on the first day in the job, the next month begins one month on and so on (for example, for a worker who starts on 15th January, the first month begins on that day, the second month begins on 15 February etc). In our view (which is not legally binding), the second interpretation is more likely to be correct, so that the first month begins on the first day of the job, the second month begins one month later and so on.
[7] The calculated total is the amount of leave that the calculations in this guidance suggest a worker is entitled to when they start part-way through a leave year. The corresponding calculator will also give that figure.
[8] If the fraction is already exactly a half day, this does not need to be rounded up.

Example

Pat starts work on Monday 1st July 2019. Her contract stipulates that her leave year is from 1st January to 31st December. Her full annual leave entitlement as calculated is 28 days.

On the first day of her employment (1st July), Pat receives 1/12th of this full annual leave entitlement. On the 1st August she receives another 1/12th. This accrual system continues up until she has completed 12 months of employment. In Pat's case, by the 31st December, Pat would have accrued 6 months' worth of leave; or 14 days. As this is already exactly a half or full day, Pat's leave entitlement to the end of the leave year does not need to be rounded up, and would be 14 days.

Days per Week

The statutory holiday entitlement for a worker who starts part-way through a leave year is calculated as:

$$\text{Leave entitlement for full leave year} \times \frac{\text{Months Started}}{12};$$
rounded up to the next half or whole day (whichever is closer)

This is calculated in a three-step method:

1. Calculate the worker's full annual leave entitlement;
2. Pro-rate based on the number of months started;
3. Where this includes a fraction of a day, round up to the next half or whole day (whichever is closer).

Example 1:

Charlie starts work on Monday 2nd September 2019, working 5 days a week. His contract states that his leave year starts on 1st April 2019 and ends on 31st March 2020. Between 2nd September 2019 and 31st March 2020, Charlie works days in seven months.

Step 1 – Calculate full annual leave entitlement
Charlie's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. For a full year, Charlie is entitled to the lower of 28 days or 5.6 x 5 days (also 28 days). Therefore, Charlie's full annual leave entitlement is 28 days.

Step 2 – Pro-rate based on the number of months started

Charlie works in 7 months out of 12 in the leave year (with the first month starting on 2nd September, the second month starting on 2nd October etc). This is entered into the equation above in order to pro-rate the entitlement:

$$28 \text{ days} \times \frac{7}{12} = 16.33 \text{ days}$$

Step 3 – Where this includes a fraction of a day, round up to the next half or whole day (whichever is closer)

The final step is to round it up to the next half or whole day (whichever is closer). 16.33 rounded up is 16.5 days.

Therefore, Charlie's leave entitlement to the end of the leave year is 16.5 days.

Example 2:

Denise starts work on Monday 18th February, working 4 days a week. Her employer runs a calendar leave year, meaning that her leave year runs from 1st January 2019 to 31st December 2019. The leave year includes 11 "first days" of a month (18th February, 18th March and so on through to 18th December).[9]

Step 1 – Calculate full annual leave entitlement
Denise's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. For a full year, Denise is entitled to the lower of 28 days or 5.6 x 4 days (22.40 days). Therefore, Denise's full annual leave entitlement is 22.4 days.

Step 2 – Pro-rate based on the number of months started

Denise is in employment in 11 months out of 12 in the leave year. This is entered into the equation above in order to pro-rate the entitlement:

$$22.4 \text{ days} \times \frac{11}{12} = 20.53 \text{ days}$$

Step 3 – Where this includes a fraction of a day, round up to the next half or whole day (whichever is closer)

The final step is to round it up to the next half or whole day. 20.53 rounded up is 21.0 days.

Therefore, Denise's leave entitlement to the end of the leave year is 21.0 days.

Hours per Week / Compressed Hours

Where workers work a fixed number of hours each week but not the same number of hours each day, the legislation does not state exactly how to round to the next half or full day. In our view it is appropriate to calculate leave in hours based on the average working day.

The statutory holiday entitlement for a worker who starts part-way through a leave year is calculated as:

Leave entitlement for full year $\times \dfrac{\text{Months Started}}{12}$;
rounded up to the next half or whole day (whichever is closer)

This is calculated in a four-step method:

1. Calculate the worker's full annual leave entitlement in days;
2. Pro-rate based on the number of months started;
3. Where this includes a fraction of a day, round up to the next half or whole day (whichever is closer);

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[9] "First days" of a month are used to calculate the leave entitlement for the worker. See the introduct

4.   In our view, it is appropriate to then multiply by the average working day to convert into hours.

Example 1:

Kirsty starts work on Monday 19th August, working 35 hours a week over 5 days. Her leave year starts on 1st January and ends on 31st December 2019. Between 19th August 2019 and 31st December 2019, Kirsty works in 5 months.

Step 1 – Calculate full annual leave entitlement in days
Kirsty's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. For a full year, Kirsty is entitled to the lower of 28 days or 5.6 x 5 days (also 28 days). Therefore, Kirsty's full annual leave entitlement is 28 days.

Step 2 – Pro-rate based on the number of months started
Kirsty works in 5 months in the leave year. This is entered into the equation in order to pro-rate the entitlement:

$$28 \text{ days} \times \frac{5}{12} = 11.66 \text{ days}$$

Step 3 – Where this includes a fraction of a day, round up to the next half or whole day (whichever is closer)

The next step is to round it up to the next half day. 11.66 rounded up is 12.0 days.

Step 4 – Convert to Hours
Kirsty works 35 hours a week over 5 days, making her average day length 7 hours. Her leave entitlement would be 12.0 days x 7 hours. Therefore, Kirsty's statutory leave entitlement is 84 hours.

Casual, Irregular or Annualized Hours

The statutory holiday entitlement for a worker who starts part-way through a leave year is calculated as:

$$\text{Statutory Holiday Entitlement} = 5.6 \text{ weeks} \times \frac{\text{Months Started}}{12}$$

Where this is calculated in days, fractions of days should be rounded up as described above.

Example 1:

Quentin is on a contract without guaranteed hours. He started on 9th September 2019, and his contract states that the leave year runs from 1st January 2019 to 31st December 2019.

Between 9th September 2019 and the end of the leave year on the 31st December 2019, Quentin works in 4 months. Therefore, his annual leave entitlement is:

$$5.6 \text{ weeks} \times \frac{4}{12} = 1.87 \text{ weeks}$$

Shift Workers

The legislation does not specifically state how to calculate the full statutory annual leave entitlement for shift workers. In our view, an appropriate practical approach is to make calculations on the basis that shift workers are entitled to 5.6 weeks of their *average* working week, restricted to 28 days' worth of shifts.

The statutory holiday entitlement for a shift worker who starts part-way through a leave year is calculated as:

Leave entitlement for full year $\times \dfrac{\text{Months Started}}{12}$;
 rounded up to the next half or whole day worth of shifts (whichever is closer)

This is calculated in a three-step method:

1. Calculate the workers full annual leave entitlement in shifts;
2. Pro-rate based on the number of months started;
3. Round up to the next half or whole days' worth of shift (whichever is closer).

Example 1:

Yolanda starts work on 13th August 2019, and her contract states that the leave year runs from 1st January 2019 to 31st December 2019. She works a pattern of 5 shifts every 8 days.

Between 13th August and 31st December, Yolanda works in 5 months of the leave year.

Step 1 – Calculate the full annual leave entitlement in shifts

Yolanda's full statutory annual leave entitlement can be calculated based on the methodology laid out in Section 1.4 of this guidance.

Yolanda's average working week is calculated as $\frac{5}{8} \times 7 = 4.375$ shifts per week.

For a full year, Yolanda is entitled to the lower of 28 shifts or 5.6 x 4.375 shifts (24.5 shifts). Therefore, Yolanda's full annual leave entitlement is 24.5 shifts.

Step 2 – Pro-rate based on the number of months worked in

From 13th August 2019 to the end of the leave year on 31st December 2019, Yolanda works in 5 months of the leave year. This is entered into the equation in order to pro-rate the entitlement:

$24.50 \text{ shifts} \times \dfrac{5}{12} = 10.2 \text{ shifts}$

Step 3 – Round up to the next half or whole days' worth of shifts (whichever is closer)

The final step is to round the entitlement up to the next half or whole shift. 10.2 rounded up is 10.5 shifts.

Therefore, Yolanda's statutory holiday entitlement for the part of the leave year that she works is 10.5 shifts.

3. Calculating Leave for Somebody Leaving Part-Way through a Leave Year

When workers leave employment, regulation 14 of the Working Time Regulations governs the workers' statutory annual leave entitlement, and any payment that must be made to a worker in lieu of untaken leave. Regulation 14 calculates leave based on calendar days in employment (not days spent working). This is covered by the calculations in this section which can be used to check that a worker received the statutory minimum annual leave to which they were entitled. Any shortfall should be paid for in lieu of untaken annual leave.

In such cases, statutory annual leave entitlement can be calculated as:

 Leave entitlement for full year × Proportion of leave year in employment

This is calculated in a three-step method:

1. Calculate the worker's full annual leave entitlement;
2. Work out the proportion of the leave year in employment;
3. Pro-rate based on the proportion of the year in employment.

Days Worked per Week

Example 1:

Edward has been working for his current employer for more than a year, working 6 days per week. His current leave year started on 1st July 2019, ending 30th June 2020, and he is leaving his role on Saturday 16th November 2019.

Step 1 – Calculate full annual leave entitlement
Edward's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. He is entitled to the lower amount of 28 days or 5.6 x 6 days (33.6 days). Therefore, his full annual leave entitlement is 28 days.

Step 2 - Calculate proportion of leave year in employment
Between 1st July and 16th November there are 139 days. The leave year runs from 1st July 2019 to 30th June 2020 and so would include February 29th 2020; a leap day. Therefore, Edward is in employment for 139 days out of 366 days in the leave year, or 38.0% of the leave year.

Step 3 –Pro-rate leave based on the proportion of the leave year worked:
Edward's leave entitlement in the leave year up until he leaves his job is 38.0% of 28 days, or 10.7 days' statutory leave.

Hours Worked per Week

Where workers work a fixed number of hours each week but not the same number of hours each day, the legislation does not state how to incorporate the 28-day statutory cap when

calculating their full annual leave entitlement. In our view it is appropriate to incorporate the cap as 28-days of the average working day.

Workers who leave employment have their annual leave pro-rated based on the time that they spent in work as a proportion of the year. This is calculated based on calendar days in employment, not days spent at work.

Leave entitlement for full year × Proportion of leave year in employment

This is calculated in a four-step method:

1. Calculate the worker's full annual leave entitlement;
2. Work out the proportion of the leave year worked;
3. Pro-rate based on the proportion of the year worked;
4. In our view, it is appropriate to then multiply by the average working day to convert into hours.

Example 1:

Mary has been working for her current employer for more than a year, working 45 hours a week over four days. Her leave year started on 1st April 2019, running until 31st March 2020, and she is leaving her role on Thursday 25th July 2019.

Step 1 – Calculate annual holiday entitlement in days
Mary's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. She is entitled to the lower amount of 28 days or 5.6 x 4 days (22.40 days). Therefore, Mary's full statutory annual leave entitlement is 22.4 days.

Step 2 – Calculate proportion of leave year in employment
Between 1st April 2019 and 25th July 2019 there are 116 days. The leave year runs from 1st April 2019 to 31st March 2020 and so would include February 29th 2020; a leap day. Therefore, Mary is in employment for 116 days out of 366 days in the leave year or 31.7% of the leave year.

Step 3 –Pro-rate leave based on the proportion of the leave year worked
Mary's leave entitlement in the leave year up until she leaves her job is 31.7% of 22.4 days, or 7.1 days' statutory leave.

Step 4 – Multiply by the average working day to convert into hours
Working 45 hours a week over 4 days, Mary's average working day is 45 divided by 4 or 11.25 hours a day. To convert annual leave into hours, the entitlement in days should be multiplied by the average working day (11.25 hours x 7.1 days).

Therefore, Mary's statutory holiday entitlement in hours is 79.9 hours.

Casual, Irregular or Annualized Hours

Workers who leave employment have their annual leave pro-rated based on the time that they spent in work as a proportion of the year. This is calculated based on calendar days in employment, not days spent at work. Calculating the proportion of a leave year worked is done from the start of the leave year to the end of the worker's time in employment.

The statutory holiday entitlement for a worker who leaves part-way through a leave year is:

$$\text{Statutory Holiday Entitlement} = 5.6 \text{ weeks } \times \text{Proportion of leave year in employment}$$

Example 1:

Steve has been working on an irregular hour's contract for more than a year. His leave year started on 1st January 2019, and he is leaving his role on April 13th, 2019.

Between 1st January 2019 and 13th April 2019 there are 103 calendar days. The leave year runs from 1st January 2019 to 31st December 2019 so does not include a leap day. This means that Steve has been in employment for 103 out of 365 days in the leave year, or 28.2% of the leave year.

Steve's holiday entitlement of 5.6 weeks should then be pro-rated based on his time in employment. Therefore, Steve's holiday entitlement is 28.2% of 5.6 weeks or 1.59 weeks' annual leave.

Shift Workers

Workers who leave employment have their annual leave pro-rated based on the time that they spent in work as a proportion of the year. This is based on calendar days in employment, not days spent at work.

The legislation does not state how to calculate the full statutory annual leave entitlement for shift workers. In our view, an appropriate practical approach is to make calculations on the basis that shift workers are entitled to 5.6 weeks of their *average* working week, restricted to 28 days of shifts.

The statutory holiday entitlement for a worker who leaves part-way through a leave year is:

Leave entitlement for full year × Proportion of leave year in employment

This is best calculated in a three-step method:

1. Calculate the worker's full annual leave entitlement;
2. Work out the proportion of the leave year worked;
3. Pro-rate based on the proportion of the year worked.

Example 1:

Abigail has been working for her current employer for more than a year, working a shift pattern of 7 shifts every 10 days. Her employer's leave year started on 1st April 2019, and she is leaving her role on 5th August 2019.

Step 1 – Calculate full annual leave entitlement
Abigail's full statutory annual leave entitlement can be calculated based on the methodology laid out in Section 1.4 of this guidance.

Abigail's average working week is calculated as $\frac{7}{10} \times 7 = 4.9 \text{ shifts per week}$.

For a full year, Abigail is entitled to the lower of 28 shifts or 5.6 x 4.9 shifts (27.5 shifts). Therefore, Abigail's full annual leave entitlement is 27.5 shifts.

Step 2 - Calculate proportion of leave year in employment
Between 1st April 2019 and 5th August 2019 there are 127 calendar days. The leave year runs from 1st April 2019 to 31st March 2020, so would include February 29th 2020; a leap day. Therefore, Abigail is in employment for 127 days out of 366 days in the leave year or 34.7% of the leave year.

Step 3 –Pro-rate leave based on the proportion of the leave year worked:
Abigail's leave entitlement in the leave year up until she leaves her job is 34.7% of 27.5 shifts, or 9.6 shifts' statutory leave.

4. Calculating Leave for Somebody Starting & Leaving Part-Way Through a Leave Year

Workers who are in employment for less than a full leave year have their annual leave governed in two ways.

Whilst in employment, the statutory annual leave they can take is accrued monthly as governed by regulation 15A of the Working Time Regulations. Under this regulation workers accrue 1/12th of their total annual leave entitlement on the first day of each month (see Section 2 above).

When they leave employment, regulation 14 governs the workers' total statutory annual leave entitlement, and any payment that must be made to a worker in lieu of untaken leave. Regulation 14 calculates leave based on calendar days in employment (not days spent working). This is covered by the calculations in this section which can be used to check that a worker received the statutory minimum annual leave to which they were entitled. Any shortfall should be paid for in lieu of untaken annual leave.

It is important to note that if the leave year is not stipulated in a binding agreement, it starts on the first day of employment. Therefore, it is possible that a leap day (February 29th) will be included in the worker's leave year, even if they are not still in employment over the leap day in question.

Days Worked per Week

Statutory annual leave is calculated as:

Leave entitlement for full year × Proportion of leave year in employment

This is calculated in a three-step method:

1. Calculate the worker's full annual leave entitlement;
2. Work out the proportion of the leave year in employment;
3. Pro-rate based on the proportion of the year in employment.

Example 1:

Gen is working as a summer intern on a ten-week contract. He starts work on Monday 3rd June 2019 and finishes ten weeks later on Friday 9th August. For the duration of his contract, Gen works five days a week, and his contract stipulates that his holiday leave year is the calendar year of 2019, i.e. 1st January 2019 to 31st December 2019.

Step 1:
Gen's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. He is entitled to the lower amount of 28 days or 5.6 x 5 days (also 28 days). Therefore, his full annual leave entitlement is 28 days.

Step 2:
From 3rd June 2019 to 9th August 2019 there are 68 days. The leave year runs from 1st January 2019 to 31st December 2019 and so does not include a leap day. Therefore, Gen is in employment for 68 days out of 365 days in the leave year or 18.6% of the leave year.

Step 3:
Gen's statutory leave entitlement for his internship is 18.6% of 28 days, or 5.22 days' statutory leave.

Example 2:

Heather is working on a fixed-term contract from 15th July 2019 to 17th January 2020. She works a nine-day fortnight for the duration of her contract, which averages 4.5 days per week. Her contract does not stipulate a leave year, meaning that it starts on 15th July 2019 (the first day of her job) and runs until 14th July 2020, although her employment terminates prior to that date.

Step 1:
Heather's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. She is entitled to the lower amount of 28 days or 5.6 x 4.5 days (25.2 days). Therefore, her full annual leave entitlement is 25.2 days.

Step 2:
Between 15th July 2019 and 17th January 2020 there are 187 days. The leave year runs from July 15th 2019 to July 14th 2020, and thus would include 29th February 2020; a leap day. Therefore, Heather is in employment for 187 days out of 366 days in the leave year or 51.1% of the leave year.

Step 3:
Heather's statutory leave entitlement for her fixed-term contract is 51.1% of 25.2 days, or 12.9 days' statutory leave.

Hours Worked per Week

Where workers work a fixed number of hours each week but not the same number of hours each day, the legislation does not state how to incorporate the 28-day statutory cap when calculating their full annual leave entitlement. In our view it is appropriate to incorporate the cap as 28-days of the average working day.

Statutory annual leave is calculated as:

Leave entitlement for full year × Proportion of leave year in employment

This is calculated in a four-step method:

1. Calculate the worker's full annual leave entitlement;
2. Work out the proportion of the leave year worked;
3. Pro-rate based on the proportion of the year worked;
4. In our view, it is appropriate to then multiply by the average working day to convert into hours.

Example 1:

Olivia is on a fixed-term contract running from 1st July 2019 to 6th February 2020. She works 27.5 hours over 5.5 days a week. Her contract stipulates that her leave year runs from 1st April 2019 to 31st March 2020.

Step 1 – Calculate annual holiday entitlement in days
Olivia's full annual leave entitlement can be calculated based on the methodology laid out in Section 1.1 of this guidance. She is entitled to the lower amount of 28 days or 5.6 x 5.5 days (30.80 days). Therefore, her full annual leave entitlement is 28 days.

Step 2 – Calculate proportion of leave year in employment
Between 1st July 2019 and 6th February 2020 there are 221 days. The leave year runs from 1st April 2019 to 31st March 2020 and so includes February 29th 2020; a leap day. Therefore, Olivia is in employment for 221 days out of 366 days in the leave year or 60.4% of the leave year.

Step 3 –Pro-rate leave based on the proportion of the leave year worked
Olivia's leave entitlement in the leave year up until she leaves her job is 60.4% of 28 days, or 16.9 days' statutory leave.

Step 4 – Multiply by the average working day to convert into hours
Working 27.5 hours a week over 5.5 days, Olivia's average working day is 27.5 divided by 5.5 or 5 hours a day. To convert annual leave into hours, the entitlement in days should be multiplied by the average working day (5 hours x 16.9 days).

Therefore, Olivia's statutory holiday entitlement in hours is 84.6 hours.

Casual, Irregular or Annualized Hours

Statutory annual leave is calculated as:

Statutory Holiday Entitlement = 5.6 weeks × Proportion of leave year in employment

Example 1:

Usman is on a short-term contract without regular hours from 15th May 2019 to 8th November 2019. His employer does not stipulate a leave year in his contract meaning that it runs from his start date; i.e. 15th May 2019 to 14th May 2020 although his employment terminates prior to that date.

Between 15th May 2019 and 8th November 2019, there are 178 calendar days. The leave year runs from 15th May 2019 to 14th May 2020, meaning that it includes February 29th 2020; a leap day. Therefore, Usman is in employment for 178 days out of 366 in the leave year or 48.6% of the leave year.

Usman's holiday entitlement of 5.6 weeks should then be pro-rated based on this time in employment. Therefore, Usman's holiday entitlement is 48.6% of 5.6 weeks or 2.73 weeks annual leave.

Shift Workers

The legislation does not state how to calculate the full statutory annual leave entitlement for shift workers. In our view, an appropriate practical approach is to make calculations on the basis that shift workers are entitled to 5.6 weeks of their *average* working week, restricted to 28 days' worth of shifts.

Statutory annual leave is calculated as:

Leave entitlement for full year × Proportion of leave year in employment

This is best calculated in a three-step method:

1. Calculate the workers full annual leave entitlement;
2. Work out the proportion of the leave year worked;
3. Pro-rate based on the proportion of the year worked.

Example 1:

Christine is working a short-term contract, on a shift pattern of 3 shifts every 5 days. She started her role on 3rd October 2019 and is leaving on 27th February 2020. Christine's employer does not stipulate a leave year in her contract, meaning that it runs from her start date; i.e. 3rd October 2019 to 2nd October 2020 although her employment terminates prior to that date.

Step 1 – Calculate full annual leave entitlement
Christine's full statutory annual leave entitlement can be calculated based on the methodology laid out in Section 4.1 of this guidance.

Christine's average working week is calculated as $\frac{3}{5}$×7 = 4.2 shifts per week.

For a full year, Christine is entitled to the lower of 28 days' worth of shifts or 5.6 x 4.2 shifts (23.5 shifts). Therefore, Christine's full annual leave entitlement is 23.5 shifts.

Step 2 - Calculate proportion of leave year in employment
Between 3rd October 2019 and 27th February 2020 there are 148 calendar days. The leave year runs from 3rd October 2019 to 2nd October 2020 so would include February 29th 2020; a leap day. Therefore, Christine is in employment for 148 days out of 366 days in the leave year or 40.4% of the leave year.

Step 3 –Pro-rate leave based on the proportion of the leave year worked:
Christine's leave entitlement in the leave year up until she leaves her job is 40.4% of 23.5 shifts, or 9.6 shifts statutory leave.

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