



# **Buy and Bank Leave Scheme**

**Updated August 2016**

## **1. Introduction**

The Buy and Bank Leave Scheme allows employees the opportunity to supplement their existing annual leave entitlement. CultureNL recognises the growing demands placed on employees to try and achieve a work-life balance. By allowing flexibility in working arrangements, this scheme can assist with accommodating individual circumstances subject to the needs of their individual Service. Employees must have a minimum of 97% attendance level from 1 January to 31 December to qualify for the scheme.

## **2. Definitions**

The scheme allows employees to buy and/or bank annual leave. The difference between 'buying' and 'banking' is detailed as follows:

### **2.1 Buying Leave**

'Buying Leave' – an employee purchases additional days leave to increase their leave entitlement. A maximum of 5 days (pro-rata for part time employees) annual leave entitlement can be bought and used per annual leave year (the annual leave year being January to December).

Please note: bought leave must be the first leave used in the leave year.

### **2.2 Banking Leave**

'Banking Leave' – an employee saves a fixed amount of their annual leave, a maximum of 5 days (pro-rata for part time employees) and banks in the current leave year, to be used in the following leave year.

### **2.3 Combination of buying and banking leave**

Employees may have the option to both buy leave and also bank leave over an annual leave year. In any one leave year an employee can increase their annual leave entitlement by a maximum of 10 days (5 days banked from the previous year and 5 days bought for the current year) pro rata for part time employees. This is subject to the conditions of the scheme and the employee meeting the required criteria.

## **3. General Criteria for applications include:**

### **3.1 Service Requirements - All approvals for additional leave under the terms of the scheme are subject to the needs of the Service.**

- Employees participating in the scheme are expected to demonstrate a good level of attendance. To ensure consistency, the level of attendance must be at least 97% from 1 January to 31 December. Therefore, employees must have completed one full leave year's service in order to qualify for the scheme.

- The period of application will commence on 1 November each year and approved applications **must be received by the relevant Human Resources Section by no later than 1 December** in each leave year.
- Employees wishing to make use of the buy and bank leave scheme should use the relevant buy and bank leave application form (HR/BBL/01).
- This form must be approved at line manager level. The level of authorisation will be determined within each Service. Managers should take into account other leave requests submitted from employees, the number of periods of extended leave already taken by the employee and any service need requirements.
- It is the responsibility of each employee to ensure applications are completed, approved and submitted by the deadline.
- Written confirmation will be given to the employee advising of the final decision concerning each application.
- Any leave bought must be the first leave used in the leave year.

### **3.2 Conditions for banking leave**

- A full time equivalent employee must be provided with a minimum of 28 days (5.6 weeks) statutory leave each year, consisting of a combination of annual leave and public holidays (pro-rata for part time employees). Applications to bank leave will not be approved where the effect would be to reduce the amount of leave for that year below the statutory minimum of 28 days.
- Managers should verify an employee's annual leave entitlement prior to approval of any application.
- This scheme does not affect an employee's right to carry annual leave forward to be used by 31 January in the following leave year.
- The maximum period over which leave can be banked is one year, e.g. an employee can bank up to 5 days (pro-rata for part time employees) in the current leave year to use in the following leave year.

### **3.3 Conditions for buying leave**

- When buying annual leave, no more than 5 days (pro-rata for part time employees) leave entitlement can be purchased in any one leave year.
- Payroll will make deductions direct from an employee's salary, each pay period, over a leave year.
- When buying additional days to increase annual leave, payroll deductions will start in the first available pay of that year.

### **3.4 Calculation of Pay**

The deduction taken from an employee's salary, each pay period, over the leave year, is

calculated as follows:

*Hourly rate x no. of hours worked per day x no of days purchased = gross annual deduction*

*Payroll will deduct equally between the number of pay periods available in the leave year.*

*Example no. 1 – Full Time Employee*

*An employee earning £12.7681 per hour, working seven hours per day and wishes to purchase 5 days additional leave*

*£12.7681 x 7 x 5 = £446.88 gross annual deduction*

*Example no. 2 – Part Time Employee*

*An employee earning £8.7593 per hour, working 3 hours per day and wishes to purchase 2 days additional leave*

*£8.7593 x 3 x 2 = £52.56 gross annual deduction*

Please note: an employee's ability to take part in this scheme may be affected if they already have deductions for Salary Sacrifice from their pay. Similarly, taking part in this scheme may have an effect on an employee's future ability to have deductions taken for a Salary Sacrifice Scheme, i.e. Child Care Vouchers, etc.

The following criteria must be considered:

After the deductions have been taken, there must be sufficient pay left to:

- a) Meet the National Minimum Wage requirements; and
- b) Pay a minimum contribution of £1 National Insurance where applicable.

### **3.5 Attendance**

- Employees on maternity leave are able to participate fully in the scheme. Periods of maternity leave do not count as non-attendance for the 97% attendance level. As with all other employees, they must apply during the same application period (see section 3.1) to take part in the scheme.
- Employees who apply to the scheme and subsequently fail to achieve a minimum attendance record of 97% as at 1 December in the year of application will automatically have their approval withdrawn.
- In determining the eligibility of employees to participate in the scheme, consideration will be given to the position of employees with disability related

sickness absence and those with pregnancy related sickness absence.

#### **4. Moving to an Alternative Post**

Where an employee is successful in applying for an alternative post within CultureNL, the employee and the new line manager must discuss, prior to appointment, the approval arrangements of those participating in the scheme.

#### **5. Leaving the Scheme**

- Depending on individual circumstances, if an employee leaves the scheme, arrangements will be made via the payroll section to either reimburse or deduct the appropriate amounts.
- Normal rules will apply for annual leave for those who terminate their employment.