

**Supporting Colleagues with Buy Your Leave**

From **Thursday** **1 February** to **Sunday 3 March 2024**

(Colleague window closes on 3rd March, line managers must approve requests before 12pm on Friday 8 March)

At Barnardo’s, we not only offer a positive, inclusive culture, where everyone can belong, grow and thrive we are also committed to providing a diverse range of benefits suited to everyone’s needs.

As part of our offering our colleagues can purchase up to 5 days of annual leave per year. Allowing colleagues to have greater flexibility over the year from time off with children in the summer holidays or to go on that once of a lifetime holiday.

**Line Manager Guidance**

Part of the benefits package offered at Barnardo’s allows eligible paid employees to purchase additional leave hours, each holiday year.

Any request made by colleagues to purchase additional holidays needs to be approved by you as their line manager, it is your role to make sure that there is a right balance between:

* Ensuring the needs of the organisation are met, and projects and objectives are delivered to the agreed financial, safety and customer service standards.
* Colleague engagement and motivation, including work/life balance.

This guide is to help you as their managers make the most appropriate decision.

**Key Scheme Rules**

* **The scheme application window will launch on Thursday 1 February** and will close **on Sunday 3 March 2024.**
* Eligible employees can buy holiday hours, up to the equivalent of their weekly contracted hours, as additional holiday for the year.
* This may be purchased in addition to provisions in the annual leave policy to carry over up to one week’s (5 days full time equivalent) leave.
* The monetary value of the additional purchased holiday is calculated based on the current basic salary. Please note that this may change depending on any APA increases applicable. This has not been agreed at this time, however if there are any increases to pay then this will affect the amount of the BYL payment.
* The calculation is based on each hour purchased, being equal to their hourly rate of pay.
* **Buy Your Leave** additional leave must be agreed and approved by you as the line manager.
* Buying additional holiday does not affect the provision for bank holidays.
* Holidays can only be purchased during the application window. (If additional leave is required during the year, outside of the scheme, the staff member should be directed to the [**Additional Leave – Paid and Unpaid**](https://inside.barnardos.org.uk/employee-and-volunteer-support/taking-time/additional-leave-paid-and-unpaid-policy) policy).
* Holidays purchased must be taken during the next holiday year: 1 April 2024 - 31 March 2025.
* The colleague must use all their purchased additional annual leave in that year, and therefore there is no provision to carry forward any into the following holiday year.
* There is no provision for selling holidays back to Barnardo’s.
* Additional leave is purchased for one year only and the employee will have to reapply the following year if the scheme is offered.
* The value of the additional leave bought is repaid in 12 equal monthly instalments, via direct pay deduction, during the year in which extra leave is purchased.
* Additional leave purchase represents a change to the terms and conditions of employment. The staff member will be asked to read information provided and agree to the changes of T&Cs, within their application.

**Eligibility**

* The **Buy Your Leave** scheme is **not** open to:
* TUPE colleagues whose contracted annual leave already exceeds the maximum allowance of staff on Barnardo’s T&C (see table below)
* Employees already covered by a pre-existing arrangement for annual leave, e.g. NHS Staff
* those who, by taking part in the scheme, have their salary reduced so that it falls below the National Minimum Wage (NMW)
* those who are on a fixed term/temporary contract of less than 12 months
* those who are on probation or yet to be confirmed in post
* those who are considered as and when, contingent workers or contractors with no fixed hours
* Teachers and term time only colleagues
* those likely to leave Barnardo’s during the defined leave year i.e. under notice, or under consultation for TUPE transfer

**Calculation examples**

1. **Full-time**

|  |  |
| --- | --- |
| Gross annual salary | £20,000.00 |
| Weekly hours | 36.25 |
| Total cost of 7.25 hours | **£76.72**Gross annual salary ÷ 52 ÷ weekly contracted hours x number of additional hours = total cost of additional hours£20,000.00 ÷ 52 (weeks per year) ÷ 36.25 x 7.25 = £76.72 |
| Monthly cost of 6 extra hours holiday, repaid over 12 months | **£6.39**Total cost of additional hours ÷ repayment months = monthly cost£76.72 ÷ 12 = £6.39 |

1. **Part-time**

|  |  |
| --- | --- |
| Gross annual salary | £12,000.00 |
| Weekly hours | 15 |
| Total cost of 15 additional hours | **£230.15**Gross annual salary ÷ 52 ÷ weekly contracted hours x number of additional hours = total cost of additional hours£12,000.00 ÷ 52 (weeks per year) ÷ 15.00 x 15.00 = £230.15 |
| Monthly cost of 15 extra hours holiday repaid over 12 months | £19.18Total cost of additional hours ÷ repayment months = monthly cost£230.15 ÷ 12 = £19.18 |

**Maximum leave entitlement for TUPE staff**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TUPE staff Maximum annual leave before and after**  | Basic leave entitlement | Basic leave +5 bought days | Over 5 years’ Barnardo’s service | Over 5 yrs +5 bought days |
| a) TUPE Employees with **continuous start date before 01.04.16** | 27 | 32 | 32 | 37 |
| b) TUPE Employees with **continuous start date on or after 01.04.16** | 26 | 31 | 29 | 34 |

**Points for Managers;**

When a colleague applies for Buy Your Leave for approval you should consider;

* How will the team, department, service, or store cope with the additional time off requested (e.g. review of rosters, delivery of key projects / objectives)?
* Why has the colleague requested Buy Your Leave hours and is this the best support provision/benefit available to them. [Refer to Additional Leave provisions](http://b-hive.barnardos.org.uk/Interact/Pages/Content/Document.aspx?id=1353).
* What fair and objective criteria will be used to agree the additional holiday if a number of colleagues apply? (For example: a rota, first-come, first-served, etc.)

If, for any reason, you need to decline the request, a prompt and reasonable explanation should always be provided, (e.g. impact on service users, customers or colleagues, and/or the cost of replacement staff or overtime staff shortages, impact on service delivery, staff cover with the team, excessive amount of untaken leave, etc.). Every effort should be made to accommodate the request in a fair and flexible manner.

**Leavers and Transfers**

If a Colleague moves internally in Barnardo’s, it is important that their holiday records are passed from the existing line manager to the new manager.

The new line manager should contact the previous line manager to check whether any additional holiday hours have been purchased and to ascertain how many hours holiday are remaining in the holiday year for the employee to take.

When a colleague who has purchased additional holiday hours leaves during the holiday year, the following process will apply:

* The line manager advises their Local People Team of the date of leaving or last working day as per the current procedure.
* The line manager must advise of the annual holiday entitlement, any additional holiday hours purchased, and number of hours taken (Dynamics).
* Payroll will then calculate the pro-rata rate of contracted holidays owed for the period the employee has worked during the year. The number of additional holiday hours will then be added on to this, and any monies owed for the purchase of additional holiday will be deducted from the final salary.

I.e. 181.25 hours per annum contracted entitlement (36.25 contracted hours per week), plus 36.25 extra hours purchased.

 Holiday year Apr-Mar

Employee leaves on 30 October, therefore, works six months of the holiday year.

Contracted pro-rata holiday entitlement = 90.63 hours

Purchased holiday entitlement = 36.25 hours

Full pro-rata holiday entitlement = 126.88 hours

* If the employee agreed to pay £600 per year for the purchase of additional holiday hours and so far, they have repaid £300 of this, the remaining £300 will be deducted from the final salary and the employee will be given all purchased holiday hours owing (i.e. this will not be pro-rated according to how many months have been worked).

**Deductions**

* The cost of the additional holidays purchased is taken over 12 months from gross pay before tax and NI are deducted, which is a salary sacrifice scheme. This means that the net cost of the extra holidays is reduced by up to 32% for a basic rate tax or lower rate NI payer, and 42% for higher rate taxpayers.
* The deductions will commence in April and continue for 12 months until March. The full outstanding value of the holiday purchased is repayable even if there are periods without pay or the colleague leaves.

Making an Application

To apply for **Buy Your Leave**, eligible colleagues will need to complete the form located on [Inside Barnardo’s](https://apps.powerapps.com/play/e/2e3b79ed-e78f-ef39-b3af-0c515f7daaa3/a/99047c7d-c573-4265-960a-9ba7c3289157?tenantId=171b1f19-7567-4d3c-bb9a-748ad03f301a&hint=45a3751d-1b9f-4c77-a8d7-813136216641&sourcetime=1706780808322).

The procedure is as follows:

* Colleague must check the [FAQs](https://inside.barnardos.org.uk/sites/default/files/uploads/Buy%20Your%20Leave%20FAQs.docx) to find out if they are eligible.
* Colleague should seek provisional/verbal line manager approval.
* Colleague enters details onto **Buy Your Leave** form (located on Inside Barnardo’s).
* **Buy Your Leave** on the form will calculate the indicative cost. If the colleague is happy with this, they complete the application.
* The request is sent through to the line manager named on the form.
* Manager approves the leave request.
* The bought leave is added to the total leave on the colleagues Dynamics Employee Self Service record (this may not show until after 01/04). There will be a separate category for them to use purchased leave when requesting holiday.
* The Pay & Reward team and Payroll will not be able to run checks in advance of the form being completed, if there are any concerns they will get in contact with the employee at the time of processing.
* Payroll sets up the salary exchange arrangements: deductions over 12 months commencing in April.

To calculate the annual leave entitlement in hours please use the following link:

[**Annual Leave and Bank Holiday Calculator**](https://inside.barnardos.org.uk/employee-and-volunteer-support/taking-time/annual-leave-calculator)

Line Manager Responsibilities

* Line managers are responsible for managing the requests within their team, in a fair and flexible manner.
* Line managers are responsible for signing off the requests within the scheme window and in line with scheme rules.
* Line managers are responsible for informing those colleagues who are on leave at the time of the scheme so that they can make their application during the scheme window, if appropriate.
* The scheme will close on Sunday 3March.
* The last date for managers approval will be 12pm on Friday 8 March, after this date applications will not be accepted. Applications which have not been approved by the line manager and will not be accepted after this date. There is no further flexibility to make any exceptions in order to meet payroll deadlines.
* Line managers are responsible for their department’s holiday purchase requests, including:
* Keeping a record of approvals/declines.
* Recording leave taken if not managed on Dynamics 365.
* Reviewing holiday entitlements in the event of transfer, change of hours or colleagues leaving.