

Annual Leave – A guide for Managers

1. Dealing with annual leave requests

Approving annual leave

Your team members need your permission before they can take annual leave. When considering an annual leave request, you need to balance your colleague's right and need to take time off with the demands of our business.

Colleagues are legally entitled to 5.6 weeks' holiday per year. For a standard five-day pattern this is equal to 28 days' leave. Annual leave and public and privilege holidays are included in these 5.6 weeks. However, we offer colleagues a more generous annual leave entitlement.

Your team members should have ample and fair opportunity to take their annual leave when they choose. As a manager you must ensure they take at least four weeks annual leave each year from their statutory entitlement, which includes public and privilege days.

However, there may be occasions when you can't grant annual leave. For example, if your team is affected by seasonal peaks when workloads increase, or other staff have had annual leave approved for the same period. In such circumstances it may be possible to grant some leave, but not the full period requested.

Refusing annual leave

If you decide to refuse a request for annual leave, either in full or in part, you should:

- meet with the individual to explain the reason(s) for your decision
- try to identify alternative dates which are acceptable to all concerned

Colleagues have the right to appeal against any decision by management. You must therefore ensure that any decision to refuse a request for annual leave can be properly justified.

2. Recording and monitoring annual leave

Recording annual leave

Oracle Cloud will record most colleagues' annual leave as soon as you authorise it. If colleagues don't use Oracle Cloud, you must ensure they record their annual leave on a non-Oracle Cloud users annual leave form.

You should review when a colleague carries over, from one year to the next, more than the carry over limit. The HR shared service centre may request annual leave forms for non-Oracle Cloud users at any time for audit purposes.

Monitoring annual leave

It's your responsibility to make sure your team members take their leave and they have no more than 10 days untaken leave at the end of the leave year.

Annual leave carry-over of 10 days or below do not require your approval. However, if your team members wish to carry over any more untaken leave, they'll need your approval and you should consider business needs. Oracle Cloud will automatically carry over any untaken leave balance to the next leave year. You'll need to raise a query via HR Online on iFix if your team member's carry-over balance should be reduced.

3. Moving annual leave between leave years

Bringing forward annual leave

You can allow colleagues to take up to two weeks' annual leave from the following year's annual leave allowance at any time during the year. You should check that the individual's annual leave entitlement is correctly adjusted for the current year and the next year.

You must ensure bringing forward annual leave doesn't result in the individual receiving less than 5.6 weeks holiday in the following year.

You may wish to remind your colleague about alternatives, such as special leave, flexi leave or a temporary adjustment to their working pattern.

Carrying over annual leave

Your team members may carry over up to two weeks' untaken annual leave to the next annual leave year without prior permission.

A carry-over in excess of this may be approved at your discretion (for example, if an individual has been prevented from taking annual leave due to business needs or they have a planned one-off occasion requiring a longer period of leave). Your colleague should try to use up this excess carry-over in the year they have carried it into. A further carry-over in excess of the limit should ideally not be authorised again into the next annual leave year.

Before approving a carry-over of more than two weeks' annual leave, you must consider the business requirements for the following year. You must also take into consideration the health and wellbeing of your staff.

Annual leave balances that are in excess of 10 days because of long-term absence such as maternity leave and sick absence will automatically qualify to be carried forward and are not subject to your discretion.

4. Annual leave and absences from work

Family leave and its effect on annual leave

Family leave is defined as periods of maternity, adoption, paternity, shared parental and parental leave. Colleagues continue to accrue annual leave during these periods of absence.

To ensure your team members don't carry large balances of annual leave, you should discuss with them how their annual leave will be managed. For example, they may wish to take annual leave immediately before or after a period of family leave. If a colleague hasn't managed to use their annual leave due to family leave, they can carry forward more than the usual carry over limit.

Non-reckonable service and annual leave

The following types of service do not reckon towards the accrual of annual leave:

- unpaid special leave
- other unpaid absences (excluding maternity leave, adoption leave, unpaid sick absence and sick absence at pension rate of pay)

If you use Oracle Cloud and you have a colleague who had a period of non-reckonable service, the HR shared service centre will adjust their annual leave entitlement.

If you can't access Oracle Cloud and a colleague takes an unpaid absence, you must ensure they forward their annual leave form to the HR shared service centre.

5. Ending employment and annual leave

Encourage your team members to use their annual leave before they leave their jobs. Where a colleague has been prevented from taking all their annual leave for business reasons, you may authorise a payment with their final salary.

6. Annual leave for part-time and non-standard working patterns

Annual leave entitlements for part-time colleagues and those on a non-standard pattern are calculated pro rata to the number of hours worked per week. Their annual leave allowance is expressed in hours.

They must therefore deduct the number of hours they were contracted to work on that day from their total leave entitlement.

7. Payment for excess untaken annual leave

If a colleague has genuine reasons for being unable to take their annual leave, a director or chief executive can – in exceptional cases – authorise payment for the untaken leave. Please note, payment is only considered at the end of the current leave year.

The director or chief executive must contact HR Online on iFix, confirming the number of hours the payment should cover.

Calculate a payment for untaken annual leave

To calculate untaken accrued annual leave payments for all staff use this formula:

- $(\text{annual full-time salary} \div 52.2 \text{ weeks}) \div 35 \text{ hours} \times \text{number of hours untaken annual leave}$

You should make your colleague aware of the formula used to calculate the payment. Payments for untaken annual leave are non-pensionable and will be met from your budget.

8. Sick absence and annual leave

Annual leave continues to accrue during periods of paid and unpaid sick absence. Individuals who return to work after a lengthy period of sick absence may therefore have large amounts of untaken leave. Advice about how to manage such situations is available in the attendance management guidance.

Illness during annual leave

A colleague who falls ill while on leave can choose whether their period of illness should be treated as sick absence or as annual leave.

Illness to be treated as sick absence

They must inform you on their first day of illness, or as soon as possible if that is not practicable. Their absence should then be recorded as sick absence rather than as annual leave.

Annual leave while on sick absence

Colleagues on sick absence can choose to take annual leave while off sick. They cannot be made to do this if they don't want to.

Sick absence and annual leave will run concurrently. Annual leave taken during a period of sick absence therefore counts towards the limited period for sick pay and the absence management trigger points. The periods are six months on full pay and six months on half pay, subject to 12 months' pay in any four-year rolling period.

Recording annual leave on sick absence

You should not record annual leave when on sick absence on the colleague's Oracle Cloud record. Instead, contact HR shared service centre to confirm the period of annual leave to be taken. Remember to include the colleague's reference number. HR will reduce the colleague's annual leave balance in Oracle Cloud and arrange payment for the annual leave period.