



The Employer's Guide to Holiday Management

With:

Date: 19th November 2025

Run Time: Approximately 45 minutes

This session will start shortly (14:30PM)





The detail contained within this webinar is based on GB & Northern Ireland employment legislation.

Members in the jurisdictions of the Republic of Ireland, Jersey, Guernsey and Isle of Man are asked to please contact the Advice Service to obtain the information relevant to your jurisdiction.



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Today We Will Cover

- A recap of the legal changes around holiday pay and entitlement
- How you should calculate your worker's holiday allowance
- Who is entitled to take bank holidays off work and who isn't
- Managing Christmas holiday requests



Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Overview

- Workers are entitled to a statutory entitlement of 5.6 weeks' paid leave per year
- 2024 saw changes to the rules around holiday entitlements for part year and irregular hours workers
- Affected leave years starting on or after 1 April 2024

Part Year VS Irregular Hours Workers

- **Part-year worker**
 - “If, under the terms of their contract, they are required to work only part of that year and there are periods within that year (during the term of the contract) of at least a week which they are not required to work and for which they are not paid”
- **Irregular hours worker**
 - “If the number of paid hours that they will work in each pay period during the term of their contract in that year is, under the terms of their contract, wholly or mostly variable”





Accruing Annual Leave

- Annual leave accrues, on the last day of each pay period, on the basis of 12.07% of the number of hours worked during that pay period
- This is the amount of time the employee gets to take as holiday
- Effectively results in an amount of annual leave proportionate to the amount of time worked – reversal of Harpur Trust result

Two Ways of Paying

- **“Pay holiday pay when on leave”** method
 - Standard method of paying holiday
- **“Rolled up holiday pay”** method
 - Previously made unlawful, but is now once again a valid method for part year or irregular hour workers.
 - Is still unlawful for any other types of workers



“Pay Holiday Pay When on Leave” Method

- Holiday pay to be calculated using pay over previous 52 weeks
- Based on earnings calculated in same way as the 4-week element for ‘standard’ employees
- A week's holiday will consist of the average number of hours worked in each week of the same period
- Paid at the time holiday is taken





Rolled Up Holiday Pay

- 12.07% uplift of total pay per pay period
- To be paid at same time as the worker gets paid
- Amount of RUHP paid must be set out clearly in each pay slip
- When on sick/statutory leave, calculate average holiday pay paid in each pay period of previous 52 weeks
- No pay during holiday



Existing Terms

- If you are currently giving 5.6 weeks paid leave for irregular/part year workers, moving to new system will be a change to terms; it will provide a lower amount of annual leave
- Changes to terms must be agreed with employees through consultation
- Dismissal and re-engagement may be an option
- Existing contractual wording must be analysed carefully
- Workers can still claim unlawful deductions of wages

Contractual Word Examples

- You are entitled to 28 days' holiday during each full holiday year including the following public/bank holidays
- You are entitled to 28 days holiday during each full holiday year including the 8 public/bank holidays
- You are entitled to 20 days holiday during each full holiday year in addition to public/bank holidays
- In addition to the annual holiday entitlement, you are allowed the following bank holidays each year with pay or alternative days as decided by us

Working Bank Holidays

- Can be contracted to work on bank holidays
- No legal entitlement to additional pay or time off
- May be in contract to incentivise people to work
- If bank holidays part of statutory minimum or contractual holiday must be given time off at a later date





Bank Holidays – Atypical Workers

- Part time workers
 - Pro rata leave entitlement includes pro rating bank holiday entitlement
 - May have to save annual leave for bank holidays or take the time unpaid
- Full-time employee whose working days don't fall on bank holidays
 - No entitlement to pay for bank holidays on top of 5.6 weeks
 - Leave entitlement includes bank holiday allocation
 - Entitlement to leave may be used at another time

Employer Mandated Closures

- Christmas shutdowns are a common practice for UK businesses
- An employer has the right to make changes to when workers take holiday if they need to.
- Employers must provide notice that is at least twice the length of the shutdown period.
- If you plan in closing for Christmas each year, its best practice to include this in your employment contracts (though this is not a requirement)





Handling Requests over the Christmas Period

- You must be fair and consistent
- While you cant accommodate everyone, you can demonstrate everyone is being treated fairly.
- State in your annual leave policy what your approach will be to handling requests:
 - Limits to number of days that can be taken over the festive period
 - A first-come first-served policy (recommended)



Can I Make Staff Work Christmas Day?

- **Yes as long as:**
 - Christmas day is classed as a normal working day in your business
 - Your contract does not give employees a right to take Christmas Day Off
- The same applies to Boxing Day and New Year's Day

Summary

- Be aware of the specific rules for irregular hours/part-year workers from April 2024, including the 12.07% accrual rate and the option for rolled-up holiday pay.
- There is no automatic right to bank holidays off. The entitlement is entirely dependent on the specific wording of the employment contract ("inclusive of" vs. "plus" bank holidays)
- Implement clear, fair policies for managing competing leave requests. Remember employers can refuse requests or enforce mandatory leave with correct notice periods (twice the length of the leave needed).

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Next Week's Session

Mastering Documentation: Contract & Policy Essentials

03/12/25 @ 14:30pm

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Thank you!

Any questions



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