Holiday pay types

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Below are examples of how holiday pay works for different types of employee working patterns and holiday schemes.

Fixed regular number of days or hours: A salaried employee with a **fixed** work pattern books a 10-day holiday. In this case, no additional holiday pay will be added by the Holiday Pay Item as their salary will continue when they are on holiday. The holiday balance will decrease to 18 days. If and when the employee leaves, they may be owed holiday or they may owe holiday.

No fixed hours (irregular, casual, zero-hours) - 52-week scheme: A zero-hour contract worker (**No** work pattern) books a holiday. During the holiday, they will normally not receive any pay from other Pay Items. The Holiday Pay Item will look back over 104 weeks of history and find 52 paid weeks. These values will form an average weekly pay figure (1 week's pay). The conversion of 1 week to days depends on the number of working days and the days the holiday was booked for. An employee who works 5 days per week (Mon-Fri) and takes 2 weekday holidays will earn a holiday of 0.4 x 1 week's pay. Holiday entitlement is 5.6 weeks per year and accrues monthly in the first year, and pro rata in subsequent years.

No fixed hours (irregular, casual, zero-hours) - Accrued Hours scheme: Each week that the worker works, accrued hours are at a rate of 12.07% of the hours worked—this can be thought of like a *bank o*f hours. When the worker books a holiday, they will specify the number of banked hours they wish to take. The Holiday Pay Item will review the last 52 weeks of pay to determine an average hourly rate. The number of hours requested x the average hourly rate is the holiday pay. The bank will decrease by the hours taken.

No fixed hours (irregular, casual, zero-hours) - **Rolled-Up-Holiday (RUH) scheme:** A zero-hour contract worker receives an extra 12.07% pay on every payslip. When they book and take a holiday, no further pay is due as this has already been paid on top of their wages when they worked. Booking, approval and accrual are not needed.

Variable pay (regular overtime, commission or bonuses): A sales worker who earns a salary and commission takes a 2-week holiday and is unable to earn full commission during their holiday.

Although their salary will be paid normally during the holiday, the holiday pay item will contribute an average commission value to reflect what they would have earned if they had worked. The same is true for a worker who earns a salary and works overtime.