

Holiday Pay as Specified by The Working Time Regulations

••• Overview

The Working Time Regulations 1998 set out the minimum statutory holiday pay entitlement of 4 weeks per annum (including bank holidays). The Government has now introduced changes to the Working Time Regulations as follows:

Minimum statutory holiday pay is as follows:

1. From 1st October 2007, minimum holiday pay entitlement increased from 4 weeks to 4.8 weeks (which equates to going from 20 days to 24 days); and
2. From 1st April 2009, minimum entitlement increases to 5.6 weeks (which is from 24 to 28 days – therefore effectively incorporating the bank holidays, if agreed by you and the employer, into the holiday entitlements)

The changes being introduced can be found on www.direct.gov.uk where you can click on the 'employment' section and 'holiday rights' for further details.

How do you calculate the holiday accrual?

How you calculate the holiday accruals is as follows:

| Daily holiday accrual rates: | |
|-------------------------------------|--------|
| Up to 30 September 2007 | 8.33% |
| From 1 October 2007 to 1 April 2009 | 10.17% |
| From 1 April 2009 | 12.07% |

These are based upon a standard year with 260 working days – subject to any pro rata requirement.

Effectively, this means that up until 30 September 2007, employees accrue holiday rights at the rate of 8.33% (or $20/240 = 8.33\%$) of holiday entitlement per day worked (20 days holiday and 240 working days = 260 working days in the year).

From 1 October 2007 10.17% (or $24/236 = 10.17\%$) of holiday entitlement per day worked (24 days holiday and 236 working days = 260 working days in the year).

From 1 April 2009 12.07% (or $28/232 = 12.07\%$) of holiday entitlement per day worked (28 days holiday and 232 working days = 260 working days in the year).