



**Loughborough
University**

Guidance for Calculating Annual Leave (All Contract Types)

The aim of this guidance is to outline Loughborough University's approach to the calculation of annual leave.

Different entitlements

For details of the current arrangements and entitlements, please visit <https://www.lboro.ac.uk/services/hr/leave-absence/annual-leave/>. It is important to remember that there are different leave entitlements for grades 1-5 and grades 6 and above, as well as for different lengths of service at grades 1-5. Therefore, it is recommended that you familiarise yourself with these pages.

Responsibilities – Human Resources and Line Managers

The day-to-day administration of annual leave sits within Schools and Professional Services and is an operational issue. This includes calculations. To help with this, HR have created a calculator, which can be accessed here <https://www.lboro.ac.uk/media/wwwlboroacuk/content/humanresources/downloads/Holiday%20Calculator%202009%20Onwards.xls>.

Worked examples

What will follow are a series of examples of annual leave calculations relating to different contract types that are in operation at the University. The majority will use the holiday calculator mentioned above, as annual leave for all contracts that are not for full time employees are worked out in hours, which is specifically what the calculator is designed to do. They are illustrative examples, all starting mid-month. These are designed to help you navigate the calculator and perform your own calculations. For the purposes of most of the examples, we will assume that we are dealing with new starters, so it will be minimum entitlements at grades 1-5, but you can easily select increased entitlements for existing members of staff from the drop-down menu.

Important points to remember

New starters will have their full year annual leave calculation detailed in their contract of employment. It is the responsibility of the School or Professional Services to calculate part year entitlements for those colleagues who commence employment or change contract mid-year. This guidance will also be used in situations where a colleague moves from one set of terms and conditions to another, or leaves employment mid-year.

When calculating annual leave for any employee, it is important to remember that, by law, you cannot round down the overall amount. Therefore, the University round up annual leave. For part-time staff, this should be to the nearest hour and for full-time staff to the nearest half day.

When an employee moves internally within the University, there is no requirement for them to use up accrued annual leave while they are working their notice in School/Professional Service that they are leaving. This is because they remain working for the same employer.

Further advice and guidance can be obtained from your HR Business Partnering Team.

Calculations – examples

The following calculations are based on all contract types currently used by the University. If you have a variation that does not fall within those below, please alert your HR Business Partnering team and we will look to add this.

- [Full time employee, part year calculation.](#)
- [Part time, year-round employee, part year calculation.](#)
- [Term time only contract.](#)
- [Annualised hours employee, full year calculation.](#)
- [Annualised hours employee, part year calculation.](#)

Full time employee, part year calculation

For an employee who commences employment mid-way through the year, we must pro-rata the annual leave entitlement. You will not need to use the holiday calculator for full time employees, as their annual leave is worked out in days and not hours.

This scenario can be relatively simple when a new starter commences at the start of a month, but not so easy when they commence mid-month. For the purposes of the following example, the employee is a grade 4, with no continuous service and they started on the 15th of July.

- Starting with 9 full months between the start date and the end of the leave year (August – April) we take the 20 days / 12 x 9 = 15 days (this would be the complete calculation for someone who starts mid-year but at the beginning of the month).
- Then we need to deal with the 17 days worked in July (we always work out annual leave over 7 days per week, rather than 5 working days, as this is how we calculate salaries). This means $20 / 365 \times 17 = 1$ day.
- Adding these together gives a total annual leave entitlement for the part year of 16 days.

Part time, year-round employee, part year calculation

As with a full-time employee, for a part time employee who commences employment mid-way through the year, we need to pro-rata the annual leave entitlement. However, we must also work out what their full year entitlement would be first. For the purposes of this example, the individual is employed on a half time (18.5 hours per week) contract, starting on the 11th of January.

- Using the holiday calculator select the “52 week part time workers” tab.
- Select the relevant entitlement from the drop-down menu (it is default set to the minimum).
- Enter the weekly hours.
- The following screenshot shows the total amount of annual leave that the individual is entitled to:

1		
2	Holiday Calculator from 1 May 2009 onwards	
3		
4		
5		
6	How many days holiday entitlement would a full timer receive (select from list)	20
7		
8		
9	When 8 Bank holidays and 6 other closure days are added the full timer's total leave in hours is:	251.6
10		
11		
12	A full time contract is for 52 weeks at 37 hours which equals 1924 hours per year.	
13		
14		
15	As a percentage of 1924 hours the total leave is:	13.08
16		
17	ENTER your weekly hours	18.5
18		
19	Your total hours per year will be	962
20		
21		
22	Using the % above your entitlement in hours rounded up to the nearest whole number is:	126
23		
24		
25	*If any Bank Holidays or Discretionary Days fall on your working days the appropriate number of hours must be deducted from your holiday entitlement	
26		
27		
28		

- Starting with the 3 full months between the start date and the end of the leave year (February – April), we take the 126 hours / 12 x 3 = 31.5 hours.
- Then we need to deal with the 21 days worked in January (again, we always work out annual leave over 7 days per week, rather than 5 working days, as this is how we calculate salaries). This means 126 hours / 365 x 21 = 7.24 hours.
- Adding these together gives a total annual leave entitlement for the part year of 38.74 hours. Based on the guidance above, this should be rounded to 39. From this total, hours for any days the individual was rostered to work but take off as leave (including any bank holidays and closure days they may take off) should be deducted from this total.

Term time only contract

A term time contract allows a member of staff to work in term time only but be paid throughout the year in equal monthly payments. The arrangement allows the employee to remain on a continuous contract that carries on through the University holidays, thereby maintaining their continuity of employment. If an employee works term time, the most common number of weeks an employee will usually work is 39. However, in certain areas of the University this can be higher or lower. For this example, we will take someone who works 35 hours per week, 39 weeks per year and who commenced employment on 15 September.

- Using the holiday calculator, select the “Term time employees” tab.
- Select the relevant entitlement from the drop-down menu (it is default set to the minimum).
- Enter the weekly hours.
- Enter the weeks per year.
- The following screenshot shows the total amount of annual leave that the individual is entitled to:

3	Holiday Calculator from 1 May 2009 onwards	
4	Holiday calculation for term time employees who may not take holidays during term time	
5		
6		
7	How many days holiday entitlement would a full timer receive in a normal year (select from list)	20
8		
9		
10	When 8 Bank holidays and 6 other closure days are added the full timer's total leave in hours is:	251.6
11		
12		
13	A full time contract is 52 weeks at 37 hours which equals 1924 hours. Subtracting the total leave in hours gives the hours a full timer actually works:	1672.4
14		
15		
16		
17	ENTER your weekly hours	35
18		
19	ENTER the number of weeks you work per year	39.00
20		
21	The total hours you work per year are therefore:	1365
22		
23	As a percentage of the hours a full timer works this is:	81.62
24		
25	Using this % your holiday entitlement in hours rounded up to the nearest whole number is:	206
26		
27		
28	*If any Bank Holidays or Discretionary Days fall on your working days the appropriate number of hours must be deducted from your holiday entitlement	
29		
30		
31		

- Starting with the 7 full months between the start date and the end of the leave year (October – April), we take the 206 hours / 12 x 7 = 120.17 hours.

- Then we need to deal with the 16 days worked in September (again, we always work out annual leave over 7 days per week, rather than 5 working days, as this is how we calculate salaries). This means $206 \text{ hours} / 365 \times 16 = 9.03 \text{ hours}$.
- Adding these together gives a total annual leave entitlement for the part year of 129.2 hours.

With term time working arrangements, the duties of the posts do not permit individuals to take annual leave during term time. As a result, they will receive pay in lieu of accrued leave, which will be paid over the course of the year on a monthly basis, as a separate payment to their basic pay to distinguish between the two. It is therefore the 129.2 hours that would need to be reported to Payroll for payment. Again, it is the School/Professional Services' responsibility to report this figure to Payroll and the figure will be paid equally over the annual leave year, or the remaining months in that year for part year leave entitlements.

Annualised hours employee, full year calculation

An annualised hours contract is one where an employee is engaged to work a particular number of hours over the period of a year, rather than a week or a day, with the actual periods of work being stipulated by the employer. Working out the annual leave entitlement of someone on an annualised hours contract can seem complicated. However, it is not as difficult as it may first seem.

For the purposes of the following example, we shall assume the total annual hours the employee is engaged on is 1500 and they are grade 6 or above.

- Firstly, the total number of annual hours should be divided by 52.
- $1500 / 52 = 28.85$.
- Using the holiday calculator, click on the "52-week part time workers" tab. We use this because an annualised hours contract is divided by the 52 weeks of the year.
- Select the relevant entitlement from the drop-down menu (it is default set to the minimum).
- Enter 28.85 into the weekly hours box.
- The following screenshot shows the total amount of annual leave that the individual is entitled to:

A	B
1	
2	Holiday Calculator from 1 May 2009 onwards
3	
4	
5	
6	How many days holiday entitlement would a full timer receive (select from list)
7	30
8	
9	When 8 Bank holidays and 6 other closure days are added the full timer's total leave in hours is:
10	325.6
11	
12	A full time contract is for 52 weeks at 37 hours which equals 1924 hours per year.
13	
14	
15	As a percentage of 1924 hours the total leave is:
16	16.92
17	ENTER your weekly hours
18	28.85
19	Your total hours per year will be
20	1500.2
21	
22	Using the % above your entitlement in hours rounded up to the nearest whole number is:
23	254
24	
25	*If any Bank Holidays or Discretionary Days fall on your working days the appropriate number of hours must be deducted from your holiday entitlement
26	
27	
28	

- With most annualised contracts, the duties of the posts do not permit individuals to take annual leave during their periods of work. As a result, they will receive pay in lieu of accrued

leave, which will be paid over the course of the year on a monthly basis, as a separate payment to their basic pay to distinguish between the two. It is therefore the 254 hours that would need to be reported to Payroll for payment. It is the School/Professional Services responsibility to report this figure to Payroll and the figure will be paid equally over the annual leave year, or the remaining months in that year for part year leave entitlements.

- If an employee on an annualised contract is not going to be paid for their annual leave and are able to request time off (this is rare but does happen when the contract is for a high number of annualised hours), then 254 hours is their entitlement. From this total, hours for any days the individual was rostered to work but take off as leave (including any bank holidays and closure days they may take off) should be deducted from this total.

Annualised hours employee, part year calculation

The previous calculation was a complete year annual leave entitlement. If someone were to commence part way through the year, we would need to pro-rata this. Therefore, let's assume a new starter commenced on 14 November.

- Starting with the 5 full months between the start date and the end of the leave year (December – April), we take the 254 hours / 12 x 5 = 105.83 hours.
- Then we need to deal with the 17 days worked in November (again, we always work out annual leave over 7 days per week, rather than 5 working days, as this is how we calculate salaries). This means 254 hours / 365 x 17 = 11.83 hours.
- Adding these together gives a total annual leave entitlement for the part year of 117.66 hours.
- The same conditions then apply before in terms of an annualised hours working arrangements depending on whether the employee is going to be paid for their annual leave or whether they can request to take time off.

Useful Contacts

- Your School/Professional Service HR Administration team
- Recruitment – Recruitment@lboro.ac.uk
- Payroll – Payroll@lboro.ac.uk
- Your HR Business Partnering Team – <https://www.lboro.ac.uk/services/hr/contact/>