

# ANNUAL LEAVE PURCHASE SCHEME

## Overview

### What is the Annual Leave Purchase Scheme?

The Annual Leave Purchase Scheme provides an opportunity for colleagues to purchase additional annual leave via salary sacrifice and spread the cost of doing so over a year through a deduction from monthly salary. The Annual Leave Purchase Scheme ("ALP" or "ALP Scheme") will allow staff to opt to purchase up to an additional 10 days' annual leave (pro-rata for part-time staff, and subject to approvals).

### Is the ALP Scheme going to be available permanently?

An annual review will be undertaken to determine ongoing viability.

Access to the ALP Scheme is entirely at the University's discretion and is not a contractual entitlement. The University has the right to withdraw or amend the ALP Scheme at any time.

## Eligibility

### Who is eligible to apply for the ALP scheme?

The ALP scheme is available for all staff who are on a regular annual leave scheme and who use the annual leave booking system through Employee Self-Service. There is no minimum employment service level required.

You will not be eligible if any of the following apply:

- If you are paid separately for your annual leave due to the specific nature of your contractual terms (e.g. casual workers);
- The deductions to salary would take your pay below the level of the National Minimum Wage.
- The change to salary would impact your visa eligibility whereby the deduction would result in pay falling below the salary threshold for the Standard Occupational Classification (SOC) code used for your visa application.

### **Can I apply for ALP if I am on a Fixed Term Contract?**

You can apply to purchase additional annual leave if you are on a fixed term contract regardless of the length of your contract.

Monthly deductions from pay for purchased annual leave will be spread evenly over the year from October to September, and, if required, any final outstanding deductions will be taken from your last pay. By applying for the scheme, it is important to note that you are agreeing to any deductions being made from your pay where applicable.

### **Can I apply for ALP if I have more than one contract?**

You can, providing that you meet the eligibility criteria and are employed at the relevant time to be able to apply. Any leave that you have purchased will be pro-rated appropriately for each contract. You will need approval from the line managers from all of your contracts.

### **Can I still apply if I have more than one eligible contract and one of them finishes part-way through the annual leave year?**

You can, providing that you are employed at the relevant time to be able to apply; and that you remain eligible in terms of the impact to your pay in relation to any work visa or the National Minimum Wage requirements. Purchased leave will be pro-rated appropriately for each contract.

### **Can I apply if I work part-time?**

Yes, subject to the eligibility rules in relation to the National Minimum Wage and work visa requirements. The purchased leave amount will be pro-rated to align with your part-time hours / FTE equivalent.

### **I am on a visa/require sponsorship to work; will I be eligible for the ALP Scheme?**

Yes, you are still eligible to apply for ALP as long as the change to salary does not affect your eligibility for your visa or right to work. We will need to make some additional checks to ensure that your request can be approved.

## ALP Scheme Details

### How many days annual leave can I purchase?

You can purchase up to a maximum of 10 days (or the equivalent in hours pro-rata for part-time employees) annual leave. You can only make one request in the request period and once approved this cannot be amended.

### When do I have to take the leave by?

You must take this leave during the leave year for which it was requested. Carry over rules apply – see Carry Over section for further details.

### Do I have to take all the purchased leave at once?

No. The purchased leave will be added to your annual leave balance in Employee Self Service (ESS), and you then can book leave in the normal way via ESS.

### Will I be able to be able to sell back my days if I change my mind?

No, the University will not buy back any days once they have been approved.

### Is this a contractual change to my terms and conditions?

Where a request to purchase additional annual leave is approved this will result in a deduction of pay and deductions are made by way of salary sacrifice. This will constitute a temporary amendment to the staff member's terms and conditions of employment, for the duration of the leave year in question.

By submitting this request, staff members are confirming that they have read and are agreeable to the terms outlined in this scheme, including the requirement to accept an amendment to their terms and conditions for the duration of the leave year and the subsequent change in pay.

Please note that your **salary on 1 October will be the figure used to calculate deductions.**

### Can I request a period of unpaid leave in addition to an application for additional annual leave?

Yes, you can request unpaid leave avia the normal process and subject to approval.

## **What happens if I want to change my hours after I have purchased some additional annual leave?**

Your salary on 1 October will be the figure used to calculate deductions. If your contract changes, then your monthly deductions to pay for the ALP Scheme will remain the same for the rest of the annual leave year (subject to you remaining within the eligibility criteria). If the change means that there is a change in the rate of pay, then at the end of the leave year, your daily rate of pay will be re-calculated to take into account any changes and any refund/additional cost will be reconciled in your pay from the following October.

## **What happens if I move into another role after I have purchased some additional annual leave?**

Your salary at 1 October will be the figure used to calculate deductions. If your position changes, then your monthly deductions to pay for the ALP Scheme will remain the same for the rest of the annual leave year (subject to you remaining within the eligibility criteria). Your purchased annual leave balance will move with you to the new role. If the change means that there is a change in pay, then at the end of the leave year, your daily rate of pay will be re-calculated to take into account any changes and any refund/additional cost will be reconciled in your pay from the following October.

Please inform your new line manager that you have purchased additional annual leave and how many days you have remaining to take.

## **Paying for Additional Annual Leave via the ALP Scheme**

### **How do I pay for the additional annual leave via the ALP Scheme?**

The additional leave is paid for via salary sacrifice through a reduction in salary equivalent to the salary for the number of days/hours requested. Your salary at 1 October will be the figure used to calculate deductions. This reduction will be spread evenly over the year from October to September. For part-time staff this will be pro-rata. At the end of the leave year your salary will no longer be reduced by this amount.

### **What amount will be deducted from my pay?**

Annual leave will be purchased at 1/261 of your salary for each day taken (pro-rata for part-time).

### **What are the tax and NI implications of purchasing additional annual leave?**

Once a purchase has been agreed, a deduction from your gross salary (your pay before you have paid tax and national insurance) will be made. The additional leave is paid for via salary

sacrifice through a reduction in salary equivalent to the salary for the number of days' leave being taken. Because the deduction is made before tax, there are no implications for pensionable pay. Employer's and employee's pension contributions will be maintained throughout the year as if no deduction had taken place.

### **How does purchasing additional annual leave impact my pension?**

Employer and employee pension contributions will be made as normal on the level of pay as if no deduction had taken place. Employee pension contributions will be deducted from your salary automatically as normal and will be based on your reference salary (this is your salary before any deductions are made, for example, for pension). Queries about the impact to Pensions can be sent to the Pensions Team at [pensions@reading.ac.uk](mailto:pensions@reading.ac.uk).

### **What would happen if my salary were to fall below the National Minimum Wage as a result of purchasing additional annual leave?'**

Your salary cannot fall below the National Minimum Wage after deductions have been made for the purchase of additional leave. If this will occur, then your application will not be approved by the HR Services team.

### **What is the difference between purchasing annual leave and taking unpaid leave?**

When you purchase annual leave, the cost for the leave is spread across the leave year via deductions from your monthly pay. When you take unpaid leave, the full amount of unpaid leave is deducted from your pay at the time that you take it. In addition, when you are on unpaid leave it is important to be aware that you do not build up any pension benefits as no contributions are payable for such a period and you may not be eligible for Death in Service benefits.

## **Family Leave**

### **What happens to my pay if I take family leave?**

Statutory family leave related pay (such as Statutory Maternity Pay, Statutory Adoption Pay and Shared Parental Leave) is calculated using your average pay over a period of time prior to the due date/date of matching. If, therefore, you purchase additional annual leave and your salary is reduced during that period, the statutory family pay you receive may be affected. Please speak to the HR Adviser for your School or Directorate.

I am on family leave when the application window is open, can I apply to purchase additional annual leave?

If you are on family leave you can still apply for additional annual leave however applications must be made within the application window.

What happens to any annual leave I have purchased if I go on family leave (maternity, paternity, adoption leave etc.)?

Any remaining balance of your purchased annual leave will be held for you to use following your return from family leave. You will not be reimbursed for annual leave purchased.

## Sick Leave

What happens to any annual leave I have purchased if I am on sick leave?

Any remaining balance of your purchased annual leave will be held for you to use following your return from sick leave. You will not be reimbursed for annual leave purchased.

## Carrying Over Purchased Annual Leave

If I didn't use all of my additional purchased annual leave, will I be able to carry the days forward into the next annual leave year?

Normal annual leave carry over rules will apply and you will be able to carry forward a total of 5 days (pro-rata for part-time) annual leave into the next leave year. Any unused leave above the normal 5 days (pro-rata for part-time) carry over will not be refunded and will be lost.

If you have taken family or long-term sick leave then any outstanding annual leave accrued but not taken (purchased or otherwise) will carry over into the next annual leave year where this is applicable.

## Leaving the University

What happens if I leave the University having not taken all of my annual leave (purchased or otherwise)?

In line with existing practice, staff on fixed term contracts are normally expected to have used all of their annual leave, including any leave purchased under this scheme, by the end of their fixed term contract. Staff (whether employed permanently or on a fixed term contract) who leave before the end of the annual leave year may be paid in lieu of any normal and purchased annual leave accrued but not taken up to and including the last date of employment in their final pay. Where staff (whether employed permanently or on a fixed term contract) leave

before the end of their contract and prior to the end of the annual leave year, the University will deduct any monies for purchased leave that has been used but not paid for.

**I am leaving the University, at what rate will my purchased annual leave be refunded to me?**

You will be reimbursed at 1/261 of your pay.

## **Effect on State Benefits**

**Will purchasing additional annual leave affect my entitlement to state benefits?**

As purchasing additional leave involves reducing salaries via salary sacrifice, staff should be aware that if their salary falls below the Lower Earnings Limit, their entitlement to state benefits (such as state pension, statutory maternity pay, etc.) will be affected. Staff should consider this before deciding to take additional leave. Any queries should be raised with Payroll at [payroll@reading.ac.uk](mailto:payroll@reading.ac.uk).

## **Requesting Additional Annual Leave**

**How do I make a request to purchase additional annual leave?**

You can make a request to purchase annual leave under this Scheme via Employee Self Service within the Pay & Benefits section. Your request will workflow to your line manager for approval.

Head of Directorate or School may need to undertake a review of all requests received across their teams to ensure that service delivery and operations are not negatively impacted.

Your leave balance will reflect the addition of any ALP when you request it in ESS, however, should your manager reject your request it will be removed. If any concerns arise, your manager will discuss options with you.

Any queries should be emailed to [AnnualLeavePurchase@reading.ac.uk](mailto:AnnualLeavePurchase@reading.ac.uk).

**Who needs to approve my request?**

Your request will need to be approved by your line manager, who will receive an email via ESS. They will need to reply to the email they receive to authorise or decline the request..

The Head of Directorate or School may need to undertake a review of all requests received across their teams to ensure that service delivery and operations are not negatively impacted.

Your Department/Directorate/School may choose to set their own internal deadlines to review requests received at a team level and will communicate this directly to staff if this is necessary.

### **When can I apply to purchase annual leave?**

Applications may be made from 1 July 2026 to 4 September 2026. Applications received after the end date will not be considered. Requests outside these dates will not be approved.

### **Can I apply at another time during the year?**

No. You will only be able to apply during the application window as outlined above. The application window may be different in the future if the scheme requires this.

### **How do I take the additional annual leave?**

Once your leave has been fully approved, it will appear in your annual leave allocation on ESS from early October and you will then be able to book leave in the usual way.

### **Can my line manager decide not to approve my request?**

Yes, approval of applications is at the discretion of your line manager.

### **My application has been rejected by HR – why is this?**

Even with the support of your line manager, your application may be rejected by HR:

- if you are not on a regular annual leave scheme and do not book your leave via ESS.
- if the deductions to salary would take your pay below the level of the National Minimum Wage;
- if the change to salary would impact your visa eligibility.

### **Is there a right to appeal if my line manager refuses my annual leave purchase request?**

There is no right of appeal if your manager does not approve the request.

### **Further Queries**

Further queries can be sent to [AnnualLeavePurchase@reading.ac.uk](mailto:AnnualLeavePurchase@reading.ac.uk).

## Additional Information for Line Managers

### **Do I have to approve a request for purchasing annual leave?**

Line managers should exercise their discretion responsibly and think carefully about what the workload implications will be on other team members and whether they can prioritise and de-prioritise areas of work as appropriate to ensure workloads remain equitable and achievable. Managers are encouraged to consider requests fairly and consistently. For example, the request may support a colleague's wellbeing or help them with particular family circumstances and wherever possible it is hoped that requests will be supported unless there are critical business and/or performance reasons why it is appropriate to reject the request.

If there are operational concerns identified, the line manager should discuss these with the employee and either decline the request or discuss alternative options, for example, agreement of a lesser number of days than had been initially requested. If, after due consideration, a request has to be turned down, the reasons for doing so should be given to the member of staff by their line manager.

Line managers should also remember that they will still need to approve the days when the purchased annual leave is taken, in the same way as with all other annual leave.

### **Does there need to be an approval by the Head of Directorate or School?**

In some teams, the Head of Directorate or School may need to undertake a review of all applications received across their teams to ensure that service delivery and operations are not negatively impacted. Line managers should check with their Head of Directorate or School if this is required and if there are any team deadlines for a review of applications.

Following the application close date, HR will undertake a review of applications to ensure that they meet the criteria and will provide reports to Heads of Directorate/School as required for the Heads to undertake an overall review. Following this activity, approved applications will be processed, and annual leave balances and payroll will be updated for the new annual leave year so that staff can book the purchased leave via ESS, and monies can be deducted from pay.

### **For what reasons can I reject an application?**

You should give any application fair consideration, however where supporting an application may cause a detrimental impact, you may wish to reject the application. Examples where you may wish to reject an application could be for the following reasons (this is not an exhaustive list):

- Current staffing issues;
- Deadline-driven work;
- Planned structural changes;

- Detrimental impact on student experience or service delivery;
- Where there would be a detrimental impact on the workload of other staff;
- Where the line manager is addressing performance concerns or other formal processes are underway and taking additional leave will negatively impact these processes. Please speak to your HR Adviser or Partner if needed.

If you are unsure about the request, please speak with your HR Adviser or HR Partner.

### **Failure to approve an application in the approval timeframe**

If you do not approve a request for additional leave within the approval timeframe or following any checks after the application window has closed, the additional leave will be refused and the staff member will be notified that the leave request has not been approved.