

Purchase of Additional Leave  
Draft Policy

June 2019



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## Introduction

1. Carmarthenshire County Council is committed to supporting the health and well-being of their employees and this scheme is intended to assist employees in balancing their home and work life. There may be instances for example where an employee:
  - Is planning a special event or trip
  - Needs extra leave for personal reasons
  - Simply would like more annual leave

## Purpose

2. The purpose of the additional leave purchase scheme is to provide employees with additional flexibility in respect of planned time off work. The additional leave is unpaid, the cost of which will be deducted from an employee's salary over their annual leave year. This will ensure that the employee continues to receive a monthly salary, at a reduced rate to reflect the unpaid leave.

## Policy Statement

3. As part of the Council's ongoing commitment to supporting employees to balance their work and personal commitments, this Policy has been agreed to allow employees to request up to 10 days (pro-rata part time) additional unpaid annual leave. This is a discretionary scheme and applications will be considered in accordance with the service needs.
4. The scheme will be administered via a 'salary sacrifice' arrangement which will allow employees to purchase additional leave which is not subject to tax or national insurance deductions. The scheme will also reduce the Council's employer contributions for National Insurance. (Please see paragraph 6).
5. This scheme does not replace or restrict the discretion of line managers to grant unpaid leave in line with the [Time off Policy](#). It also does not provide a right to take additional annual leave and is subject to the service needs.

## Scope

6. This scheme applies to all employees of Carmarthenshire County Council, excluding staff employed by locally managed schools.

## Eligibility

7. Subject to paragraph 6, this scheme is available to all eligible employees:
  - Who have completed 12 months' continuous service at the time of making the request and completed the probationary period satisfactorily;
  - Have a contract of employment for the duration of the term of the salary sacrifice agreement; and
  - Where the 'reduced' salary (salary after the cost of the additional leave is deducted) is above the National Living Wage threshold for the duration of the term of the salary sacrifice agreement.

## Salary Sacrifice

8. A salary sacrifice arrangement varies an employee's terms and conditions of employment for the duration of the salary sacrifice agreement. It does so by reducing the employee's gross pay by the value of the annual leave days purchased and in turn increasing their annual leave entitlement.
9. Once the additional annual leave purchased is paid for in full, the employee's terms and conditions (i.e. salary) of employment revert back to those in place prior to entering the salary sacrifice agreement.
10. The Council would advise any employee who is in receipt of any state benefit, such as working tax credits, child tax credits, Statutory Maternity, Paternity and Adoption pay etc, to contact the Department for Work and Pensions for advice on how this scheme may affect them, prior to entering a salary sacrifice agreement.

## Terms of the Additional Leave Purchase Scheme

11. A maximum of 10 days additional leave (up to a maximum of weekly contracted hours) can be requested to be purchased. The 10 days additional annual leave will be pro rata for part time employees.
12. An application to purchase additional leave can be made at any time from the start of your leave year subject to eligibility as described in para. 5. The amount purchased will be deducted from pay by the end of the employee's annual leave year. For example if an application is approved for an additional 5 days leave on 30th November and the employees birthday is 31st January, the 5 days will be deducted over the two remaining pay periods.
13. Whilst the maximum number of days which an employee can request within their 12 month annual leave period is 10 days, they can submit multiple requests, e.g. 2 requests for 3 days and 1 request for 4 days.
14. Once an application has been approved and the first deduction made from pay, the agreement becomes binding and cannot be brought to an end before the final deduction is made.
15. All additional leave purchased (whether a single amount of 10 days or multiple amounts) must be paid for within the same annual leave period it is purchased for.
16. Once purchased leave cannot be "sold back" to the Council.
17. The additional leave will be added to the employee's annual leave balance.
18. There will be no increase in the annual leave "carry forward" provisions in line with the [Annual Leave and Holiday Pay Policy](#). Managers and employees must ensure requests for and authorisation of all annual leave is planned appropriately during the annual leave year. If, having purchased additional annual leave, the employee fails to take it before the end of the relevant leave year, the leave will be lost and no reimbursement made.
19. A separate request must be made for each leave year.

## Application for purchase of additional leave

20. An application to purchase additional leave should be made to the relevant Line Manager.
21. Once a request is received the Line Manager should notify the employee of their decision within 14 calendar days.
22. Approval of requests will depend upon the needs of the service and must not increase the costs of the service for example by having to provide additional cover, staffing or other resources.
23. A request may be reasonably refused for operational reasons related to the job and service needs, which could include consideration of workloads and the periods of leave being taken by other members of staff.
24. This is a discretionary scheme. However, an employee may ask for a review of the decision and this can be requested by writing to the Assistant Chief Executive, People Management. The employee will need to clearly outline their grounds for requesting a review of the decision. The review will then be undertaken by the Head of Service or their nominated representative with advice from a HR Advisor. The final decision will be confirmed in writing to the employee by the Manager undertaking the review.

## Pension Implications

25. For pension purposes any additional annual leave purchased will be classed as a period of 'authorised unpaid leave of absence' and pension contributions by both the employee and Council **will not automatically be paid.**
26. Employees can elect to buy these pension contributions back and will be responsible for doing this directly with the Dyfed Pension Fund. If the employee chooses to cover the period of absence for pension purposes, this will be by paying an Additional Pension Contributions (APC) to cover the amount of pension 'lost'

27. If an employee elects to pay an APC to cover the lost pension, the Council will be liable to pay two thirds of the costs, if the election is made **within 30 calendar days of the application being approved.**
28. If an employee elects to cover the period of absence for pension purposes after the 30 days has elapsed then the Council is not obliged to pay the employer pension contribution costs and the employee will be liable for the full amount.

## Leaving the Council

29. Employees leaving the Council will be reimbursed if the salary sacrifice deductions on leaving amount to more than the additional leave purchased but untaken prior to the leaving date. Likewise, pay will be recovered from the employee's final salary if the value of the salary sacrifice deduction is less than the value of the annual leave taken.
30. **Line Managers are responsible for advising Employee Services of reimbursement or deduction actions that are necessary, in advance of the employee's last day of service with the Council.**

## Ensuring Equality of Opportunity

31. All employees are required to adopt a positive, open and fair approach and ensure the Authority's Equality and Diversity Policy is adhered to and applied consistently to all irrespective of race, colour, nationality, ethnic or national origins, disability, religion and belief or non-belief, age, sex, gender reassignment, gender identity and gender expression, sexual orientation, pregnancy or maternity, marital or civil partnership status.
32. In addition, the Welsh Language Standards ask us to 'ensure that the Welsh language is treated no less favourably than the English language' and this principle should be adopted in the application of this policy and procedure.
33. If you have any equality and diversity concerns in relation to the application of this policy and procedure, please contact a member of the HR Team who will, if necessary, ensure the policy/procedure is reviewed accordingly

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