

Holiday - Manager Mini Guide

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This Mini Guide supports the [Holiday Policy](#).

In the event of any difference between this guide and the policy, the policy will prevail.

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For information about the Holiday Pay Supplement which was introduced from June 2016 refer instead to the [Holiday Pay Supplement – Employee mini-guide](#).

Part One: General Holiday Guidance

Introduction

This mini-guide contains further information to support you in the following areas:

- managing your team's holidays
- sickness absence and holiday

- the extended holiday scheme
- the answers to some frequently asked questions

Employees should book their holidays through self service under [My Details](#)

For more information on keying holiday through self service, and how PeopleSoft calculates and processes holiday can be found in the Manager's Guide to PeopleSoft.

For information on taking a two week continuous break see Part Two of this guide. From 1 January 2017 this requirement applies only to Treasury and specified Finance teams.

Managing your team's holidays

Effectively managing your team's holidays will help you to plan and ensure cover throughout the year. You should talk to your team early and regularly to manage holidays. Consider and approve requests in a fair, reasonable and consistent way; you should not, for example, approve holiday requests based on seniority or status.

Although it is preferable to approve holiday request wherever you can, there are a number of things you will need to consider when you receive a request, for example:

- Are any other team members out of the office at the requested time? This could be due to holiday, sickness absence or another type of leave (such as maternity, adoption, shared parental or paternity leave)
- Are you likely to get a lot of requests for the same period of time (for example during school holidays, regional festivals)? If this is the case you might like to ask for all of the requests for that period of time so that you can consider them all fairly and consistently before you approve any. You could also consider who had the holiday the last year
- Is there a peak in the operation at the time requested? For larger operational areas such as Customer Operations there are agreed principles in place already so you should find out what these are
- Will granting the request leave you with insufficient cover?

If, after considering the request, you decide that you will need to decline it you should discuss your reasons with your employee and agree another time for them to take their holiday.

Sickness absence and holiday

Does annual leave accrue if an employee is off sick?

Yes, employees accrue holiday while absent on short or long term sick leave including Prolonged Sickness Benefit and Group Income Replacement Scheme. Holiday can still be booked and taken during the holiday year.

If an employee is sick whilst on holiday, can they rebook their holiday?

This will depend on the circumstances. Further information can be found in the Holiday Policy.

What happens if one of your employees was due to work additional hours to make up their Public Holiday hours deficit, but didn't attend as they were unwell?

If they were sick on one of their normal working days, the sickness absence would need to be recorded as normal for their contracted hours, any additional hours they were due to make up on this date would not be counted and they will need to arrange with you to make these up separately.

If they were sick on a date that they were due to work additional hours only to make up Public holiday deficit hours and this was not part of their contracted hours/days, this would not need to be recorded as sickness absence and the hours not worked would need to be made up at another time as agreed with you.

What happens if an employee requests holiday to be taken during a period of sickness absence?

Employees can still book and take holiday by contacting you to request the leave. If you agree the dates you should not key the holiday direct but should contact AskHR to request the employee's record is updated. Where an employee is on Prolonged Sickness Benefit or the Group Income Replacement scheme you should contact AskHR Option 5 to ensure that the correct payment is made to the employee for the period of holiday as well as their holiday record being updated.

What happens if one of your employees has not been able to take some, or all, of their holiday entitlement due to sickness absence?

Where possible holiday should be used within the holiday year and when an employee is off sick they can still book and take holiday by contacting you. However, there may be circumstances where they are prevented from taking leave due to sickness absence and in some cases, they may be able to carry forward additional holiday to the next year.

When reviewing whether or not an employee will be able to carry forward more than the standard amount, we will consider:

- The amount of leave they have already taken during the holiday year (inclusive of Public Holidays).

- Whether it is sickness absence that has prevented the holiday being taken. For example, if an employee is in work for much of the year, but has not taken holiday other than Public Holiday, a sickness absence starting close to the year end will not have prevented them from taking their holiday and so the amount of holiday they may be allowed to carry forward will be reduced.

The maximum amount of carried forward holiday leave an employee will be allowed in these circumstances will be four weeks less any holiday and Public Holiday leave taken in the holiday year. For more information please refer to the Holiday Policy.

In these circumstances you should contact AskHR Option 5.

The following examples are provided for guidance only and advice should be sought from HR on each employee's specific case:

1. A part-time employee who works 28 hours and has an annual leave entitlement of 144 hours starts sickness absence on 1 July and doesn't return for the rest of the year. Before they started their sick leave, they had already taken 96 hours of annual leave and 50 hours Public Holiday leave, totalling 146 hours for the year. In this instance, the employee has taken more than 112 hours (which is four weeks leave) and therefore cannot carry forward any additional holiday over and above the standard two days (pro-rata).
2. A full-time employee with an annual leave entitlement of 26 days has three instances of long term sickness absence during the year totalling 22 weeks. Although they have returned to work, they commence a fourth period of absence which starts on 10 October and they do not return for the rest of the year. Throughout the leave year they have taken 6 days annual leave and 9 days Public holiday leave totalling 15 days for the year. In this instance the employee has not taken four weeks leave (20 days) and so will be allowed to carry forward five days to be used by the end of the following year (inclusive of the standard carry forward). In this example, the manager should contact AskHR Option 5 to arrange for the standard carry forward to be increased from two to five days. Also, if the employee wishes to take holiday whilst on PSB they will need to inform their manager of this and the manager should contact AskHR to ensure this is paid correctly.

Extended holiday scheme (EHS)

The extended holiday scheme allows employees to take an occasional longer holiday by accumulating up to three days each year, for five years. The employee can then take the days they have accumulated in the sixth year of the scheme (although they cannot add it onto holiday from the end of the fifth year or the beginning of the seventh year).

To join the scheme, we ask that employees complete an [Extended Holiday Scheme eform](#) by 31 March in the year they want to start accumulating holiday, when you receive the eform you should complete and keep a copy on file locally. The eform will then be routed to HR.

Where your employee's holiday entitlement is kept on My Details, every year between years one and five inclusive HR will make an adjustment to the employee's holiday entitlement by the number of days they wish to accumulate in that year which will reduce the holiday available for them to book.

In the sixth year, all the accumulated holiday will be credited to the employees holiday entitlement. We ask that employees agree the dates of their extended holiday with you at least four months in advance so that you have time to plan or take into account any operational difficulties the holiday would cause; they must still seek your approval to the dates. When the holiday is taken, the whole extended holiday should be booked through Peoplesoft.

If your employee moves roles between years one and six of the scheme, make the new manager aware and pass across any local records relating to the scheme.

General Questions and Answers

How far in advance can an employee book holiday?

There is no restriction on how far in advance employees can request holiday, although you must remember to agree holiday requests in a fair and consistent way to ensure employee needs are balanced with team/department and operational requirements.

Do you need to do anything if you have agreed with your employee to work additional hours to make up a Public Holiday deficit?

If your employee is on PeopleSoft, you will need to contact AskHR and confirm the number of additional hours worked to reduce the deficit, HR will arrange for the system to be adjusted.

Do you need to do anything for an employee who is carrying forward two days (pro rata for part-timers)?

PeopleSoft will automatically carry forward up to two days (14 hours) of an employee's unused entitlement into next year. This is calculated on a pro-rata basis based on the number of weekly contracted hours the employee works using the calculation (weekly hours/weekly contracted full time hours) x 7 hours x 2 days. This ensures that all employees working the same number of hours receive the same entitlement to carry forward holiday, irrespective of their working pattern. This does, however, mean that the carry forward entitlement might be slightly more or slightly less than the employee's working day.

How does holiday work for employees on maternity, adoption, shared parental and paternity leave?

Employees continue to accrue holiday entitlement throughout their maternity, adoption, shared parental and paternity leave. We encourage employees going onto maternity and adoption leave, or a long period of shared parental leave, to take any accrued holiday prior to starting their leave where this is operationally viable, and they will need to book this with you in the normal way. Any leave which is not taken can either be added to the end of their leave, or taken after they return to work (though we ask them to agree these arrangements with you, taking account the needs of the business).

Holiday also accrues in the normal way whilst your employee is taking any unpaid leave, for example carers leave, short break, or Unpaid parental leave.

Does PeopleSoft record holiday for employees on a term-time contract?

No, details of holiday entitlements for term-timers are contained in their term-time contract but won't be recorded on PeopleSoft. However, if they have bought holiday through '[MyReward](#)' this will be shown separately on PeopleSoft.

Can an employee take extra time off to observe a religious festival?

No. If an employee wants to book time off to observe a religious festival they should use their annual leave entitlement and book this in the normal way. More information can be found in the [Time Off for Other Reasons Policy](#).

Part Two: Taking a two week continuous break (Treasury and specified Finance teams only)

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Introduction

With effect from 1 January 2017, the requirement to take a two week continuous holiday only applies to employees in Treasury and in specified Finance teams.

Asking employees in these areas to take a two week continuous break is one of the ways in which we can control risk. Our previous regulator, The Financial Services Authority, indicated that this approach

can help prevent, and detect, issues related to rogue trading and employee fraud. Many financial firms operate a similar policy.

It is important to remember that you cannot require an employee in another business area to take a two week break. However, we know that many employees may still choose to request a two week holiday, by speaking with their manager to agree the dates and making a booking in the normal way. We encourage all employees to use their holiday in a way which can provide them with a proper break from work – ideally taking leave to give them either a one or two week break, but this isn't a requirement.

Who needs to take a two week holiday?

The two week holiday requirement applies to all employees in Treasury and the following Finance teams:

- Finance Systems team;
- Finance Central Services; and
- Finance roles in Nationwide International (which includes the Finance Director / Deputy MD, Financial Accountant, Accountant and Accounts Assistant);

who have been continuously employed in the holiday year for six or more months, **except for:**

- Employees on a term time contract, who already have a continuous two week break from work due to taking all of their annual leave during times which coincide with school holidays
- New starters who join after 1st July each year (for their first holiday year only)
- Employees who have been absent for another reason (such as a short unpaid leave break, on long term sickness absence whilst in receipt of prolonged sickness benefit, on maternity, adoption or shared parental leave, or career break) during the holiday year for a continuous period of two weeks or more (though you should not count short term, intermittent, periods of sickness absence towards this).

The policy on which business areas need to take a two week break may be reviewed from time to time and any changes to the Holiday Policy are communicated by Joint Statement.

Can a dispensation (exception) from the policy be approved for one of my team members?

The aim of the policy is to ensure that employees in the identified areas have a continuous break from work of at least two weeks each year and so exceptions are likely to be limited.

If an employee who is required to take a two week holiday requests an exception, consider this sensitively and talk to them to understand their reasons. You will then need carry out a risk assessment before confirming your decision. The approach for doing this is described more fully below.

Assessing a request to waive the need to take a two week holiday

As manager, you can waive the requirement in the following circumstances:

- an assessment of the role indicates that there are no fraud risks involved in the role; or
- where there are some fraud risks assessed in the role, there are appropriate alternative controls in place or you are able to put in place effective alternative risk control methods which still provide that the employee has a two week break from their work (see below for more information); or
- the employee has exceptional personal circumstances that prevent them from taking their leave in this way; for example, due to religious observance or caring responsibilities for a disabled relative, child, or other person that relies on the employee for health and wellbeing reasons. Talk to your employee to fully understand the issues that prevent them from complying with the policy; and
- the decision is supported by your Level 3SE

Make sure you are fair and consistent in your decisions, whilst taking account of your employee's individual circumstances.

If you agree to waive the requirement, you must keep a record of the decision you have made and the reasons for it (for example, by email), and ensure that you have considered and put in place other appropriate risk control measures where needed. Your decision should only relate to one holiday year, and you may need to carry out a further assessment if your employee makes another request in the following year.

What do you need to do if a dispensation is approved for one of your employees?

The two week holiday requirement is in place as a measure to assist in fraud prevention and detection for specific business areas which are considered to be higher risk. If a dispensation is agreed for someone in your team and unless there are already sufficient controls in place, you may need to put in place additional control measures for a limited period as an alternative to your employee taking a two week break. Your Operational Risk Officer can provide more guidance on measures which might be appropriate for your particular role.

Discuss these measures with your employee; remind them that they are not intended to imply any suspicion, but that it is necessary to treat people consistently and fairly. The measures that will be

appropriate to your business area will depend on the type of work that you undertake and the controls already in place. The following are examples only:

- Transfer duties (such as dealing with exceptions reports) to another employee for a two week period (or a shorter period when added to an existing period of holiday)
- Agree a transfer to another team or nearby department (taking into account your employee's ability to travel and their personal commitments)

If a dispensation has been agreed for an individual in any given year, it will only apply to that holiday year.

Questions and Answers: Two week holiday

Why has this requirement been reviewed and how have the roles which need to take a two week holiday been identified?

The requirement to take a two week holiday was introduced in 2010 to supplement Nationwide's internal fraud control measures. It followed from the Regulator's findings (the FSA at the time) into the Société Générale case of rogue trading. Since its introduction we have reviewed the policy on a number of occasions, taking account of improved internal fraud detection capabilities and other improvements which mitigate the risk of fraud. Following a further review in 2016 we have confirmed that this requirement will only apply to Treasury and specified Finance teams from 2017. It may be necessary to review this policy again in future.

Does the requirement to take a two week break also apply to employees who work part time?

Yes, but part-time employees only need to take the same proportion of their annual entitlement as a full-time employee (for example if your part-time employee works three days a week, they will only need to book six days to take a two week break from work).

Can Public holiday's count towards the two week continuous holiday?

Yes, the requirement is to take a continuous break of two weeks (14 consecutive calendar days), which can include Public holidays which fall during the holiday leave.

How should you manage a situation where you are unable to agree to your employee's request to waive the requirement for the two week holiday?

Consider and respond to any concerns. If your employee is unwilling to book a two week holiday contact AskHR as early as possible in the holiday year, and ideally before September, for advice on how to ensure your employee takes the two week break.

Should you be suspicious of an employee who does not want to take the two week break?

You do not need to be automatically suspicious of anyone who requests an exception, or monitor them more carefully. However, if an employee refuses to, or is overly reluctant to take holiday and

consistently comes in when they should be on annual leave, then, depending on the circumstances, this might give rise to suspicion. You should not investigate any suspicions yourself, but instead refer to the [Internal Fraud Policy](#).

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