



Nottingham Trent
University

Human Resources

Salary Sacrifice Holiday Buy Scheme

Frequently Asked Questions (FAQs)

Version: 2.0
Date: July 2023

Contents

1. Buying and paying for additional holiday	3
1.1 What is the maximum amount of additional holiday I can buy?	3
1.2 What is the minimum amount of holiday I can buy?	3
1.3 Why do I need to buy holiday in hours when I can only book it in days/half days?	3
1.4 How much will it cost me to buy additional holiday?	3
1.5 How will I pay for the additional holiday?	4
1.6 When will the holiday buy deductions start?	4
1.7 Will my payment change if my salary changes?	4
1.8 What if I have more than one role at NTU?	4
2. Eligibility	4
2.1 What happens if I am participating in other salary sacrifice schemes, e.g. cycle to work, childcare vouchers?	4
2.2 Where can I find out what the National Minimum Wage is?	4
2.3 What happens when the National Minimum Wage is increased?	4
2.4 Where can I find out information about the Lower Earnings Limit for National Insurance Purposes?	5
2.5 How long do I need to be employed at NTU before I can join the scheme?	5
3. Application and approval	5
3.1 How do I apply?	5
3.2 How is my application considered?	5
3.3 What if I need to change my application?	5
3.4 Can I appeal if my manager declines my request?	6
3.5 What if my manager is on holiday or unavailable to approve my application?	6
3.6 If I have more than one job role at NTU, how do I apply to buy holiday for each role?	6
3.7 Why are there two options in the application form for 'Holiday period dates' and which one should I select?	6
3.8 Why can't I select the upcoming holiday year in the 'Holiday period dates' field when making an application in MyHR?	7
3.9 Why is there only one window to apply to the scheme each holiday year?	7
4. Salary Sacrifice	7
4.1 Why is the scheme operated as a salary sacrifice scheme?	7
4.2 How does salary sacrifice impact on state benefits?	7
4.3 Why does participating in the scheme not impact on all pension scheme members?	7
5. Booking and taking your additional holiday	8
5.1 Do I need to know the dates I would like to book for my additional holiday at the time of application?	8
6. Change in circumstances	8
6.1 What if something happens which affects my financial circumstances?	8
7. Other queries	8
7.1 What will happen if the extra bought holiday goes unused?	8
7.2 Can I sell back some holiday?	8

1. Buying and paying for additional holiday

1.1 What is the maximum amount of additional holiday I can buy?

Eligible employees can apply to buy up to the equivalent of two working weeks of additional holiday (10 days / 74 hours for full-time employees, or pro-rata equivalent for part-time employees). This may differ for non-standard working patterns. This is subject to line manager approval.

1.2 What is the minimum amount of holiday I can buy?

This scheme allows colleagues to buy a minimum of one fifth of a working week e.g.

- 7.4 hrs for most full-time colleagues
- 6 hrs for a colleague working 30 hours over 4 days.
- 3 hrs for a colleague working 15 hours over 2 days.

1.3 Why do I need to buy holiday in hours when I can only book it in days/half days?

Holiday entitlement is calculated in hours in MyHR and booked in days/half days.

1.4 How much will it cost me to buy additional holiday?

The total cost is based on the hourly rate of your basic pay as of 31 July. For those who join NTU or transfer roles in August, it will be based on the employee's salary at that time.

The hourly rate is multiplied by the number of hours holiday they wish to buy. Monthly deductions are the total cost divided by 12.

For those on the National Framework, your hourly rate can be found on the [National Framework Salary Scale](#) MyHub page. Spinal points can be found under the My Employment tab in MyHR, within 'Current job details'.

$$\text{Hourly rate} \times \text{Number of additional holiday hours purchased} = \text{Total annual cost of additional holiday hours purchased (approx.)}$$

$$\frac{\text{Total annual cost of additional holiday hours purchased (approx.)}}{12} = \text{Monthly cost of additional holiday hours purchased (approx.)}^*$$

*Deductions are from gross pay, pre-tax and National Insurance

1.5 How will I pay for the additional holiday?

Deductions will be taken out of your gross pay before tax and National Insurance. Deductions are spread over 12 months, from September to August.

1.6 When will the holiday buy deductions start?

The scheme year starts in September. Therefore, deductions from your gross pay will start from September and will show on your payslip.

1.7 Will my payment change if my salary changes?

No. Your payments will remain the same throughout the holiday year, i.e. until the end of the scheme year in August.

1.8 What if I have more than one role at NTU?

You may apply to buy additional holiday for each of your roles up to a total maximum of the equivalent of 2 working weeks. You will be able to select the relevant job role when applying in MyHR.

2. Eligibility

2.1 What happens if I am participating in other salary sacrifice schemes, e.g. cycle to work, childcare vouchers?

If you are participating in other salary sacrifice schemes, the total monthly deduction for all schemes cannot reduce your salary below the National Minimum Wage or Lower Earnings Limit. Therefore, you will need to take this into consideration before applying to the Holiday Buy scheme.

You can use the calculator on [MyBenefits](#) to estimate the cost of buying additional holiday, as well as reviewing your payslip for the cost of other salary sacrifice schemes.

This will form part of the eligibility checks conducted by HR.

2.2 Where can I find out what the National Minimum Wage is?

The National Minimum Wage (NMW) is the minimum pay per hour employees are entitled to, which is updated annually by the government. The latest NMW rates, can be found on the [gov.uk website](http://gov.uk).

2.3 What happens when the National Minimum Wage is increased?

The NMW is reviewed annually, and any increase is normally applied from 1 April. If at that time, continuing with the monthly deduction would mean that your hourly rate fell below the NMW we would have to withdraw you from the scheme with immediate effect. Salary deductions would stop, and your holiday entitlement would be adjusted to reflect what you had bought to date.

2.4 Where can I find out information about the Lower Earnings Limit for National Insurance Purposes?

The Lower Earning Limit for National Insurance purposes is set annually by the government. Information on these limits can be found on the [gov.uk website](#).

The total monthly deduction for additional holiday purchased cannot reduce your gross monthly pay (i.e. pay before tax and NI deductions) below the Lower Earnings Limit.

This will form part of the eligibility checks conducted by HR.

2.5 How long do I need to be employed at NTU before I can join the scheme?

You do not need a particular length of service/continuous employment at NTU to apply but you may only apply to the Holiday Buy Scheme during the application window.

3. Application and approval

3.1 How do I apply?

You can apply to the Holiday Buy Scheme during the application window, via MyHR. Please check the impact of entering a salary sacrifice scheme, the eligibility criteria (see [MyBenefits](#)) and discuss your application with your line manager before applying. You can find user guides on the [MyHR and MyPeople SharePoint site](#).

3.2 How is my application considered?

Before you submit an application to buy additional holiday, you are encouraged to discuss your request with your line manager. Once you have submitted your application, your line manager will receive a notification to review your application in MyPeople.

Your line manager may not approve your application straight away, as they may need to consider your request along with other colleagues' applications. Line managers are encouraged to approve requests fairly and consistently. There may be instances where requests cannot be approved.

3.3 What if I need to change my application?

Provided your manager has not approved your application, you are able to submit a new application if you wish to change your original application.

If your application has not been approved by a line manager, you can delete your original application. The user guide in the [MyHR and MyPeople SharePoint site](#) will guide you on how to view your request. From here you can select and delete the request, then you can submit a new application with the correct details.

Once your application has been approved, no changes can be made to your Salary Sacrifice Holiday Buy Scheme details.

3.4 Can I appeal if my manager declines my request?

If your application is declined by your line manager, there is no right to appeal. Line managers are encouraged to approve requests fairly and consistently. There may be instances where requests cannot be approved, and the reasons for doing so should be provided.

3.5 What if my manager is on holiday or unavailable to approve my application?

If your line manager is on holiday during the application and approval windows, you are responsible for contacting your line manager's manager to gain approval. If approved, please forward this to MyBenefits@ntu.ac.uk who will process a manual authorisation of your application.

3.6 If I have more than one job role at NTU, how do I apply to buy holiday for each role?

If you have more than one contract at NTU, you can buy additional holiday for one or more job roles, provided you meet the eligibility criteria in each separate role you apply for.

When you apply in MyHR, you can select between your job roles from the 'Position' drop-down. This will enable you to submit an application for additional holiday for one job role at a time. If you want to apply for additional holiday for two roles, for example, you will need to submit two separate applications – one application for each role, selecting the relevant job role on each application form.

The minimum and maximum number of hours holiday you can apply for may vary for each job role based on your contracted hours for each role. The total amount you buy cannot exceed the maximum of the equivalent of two working weeks.

All applications will be sent to your line manager/s for approval and will then be subject to eligibility checks.

3.7 Why are there two options in the application form for 'Holiday period dates' and which one should I select?

The two options will reflect a) the current holiday year, which will not be open to applications, b) the upcoming holiday year, which will be open to applications (*dependant on the application window being open*).

You should select the holiday year which you are applying to buy additional holiday for. If you select a holiday year where applications can no longer be made, a message will appear stating that the benefit window has closed. In this instance, please select the other option.

You can refer to the user guide in the [MyHR and MyPeople SharePoint site](#), which will guide you through the application form.

3.8 Why can't I select the upcoming holiday year in the 'Holiday period dates' field when making an application in MyHR?

If you are unable to select the upcoming holiday year, it could be because you are due to transfer roles during the window for applications. Please contact MyBenefits@ntu.ac.uk for further advice.

3.9 Why is there only one window to apply to the scheme each holiday year?

The Holiday Buy Scheme operates under salary sacrifice arrangements, which means certain rules must be applied in line with HMRC guidance. The scheme has been set up so that payments are spread evenly across a 12-month period. The window for applications allows for the additional holiday entitlement to be agreed for the start of the holiday year and deductions from your salary can then be scheduled to start from September, the start of the holiday year, and continue through the next 12 months.

4. Salary Sacrifice

4.1 Why is the scheme operated as a salary sacrifice scheme?

We want to give you the maximum benefit and operating the scheme as salary sacrifice allows NTU to offer buying additional holiday from gross pay, reducing tax and NI contributions.

4.2 How does salary sacrifice impact on state benefits?

The impact on your entitlement to state benefit payments such as statutory maternity or paternity pay, statutory sick pay and working tax credits will be dependent on your individual circumstances.

More details on salary sacrifice and the impact on benefits are available on the [gov.uk website](https://www.gov.uk).

4.3 Why does participating in the scheme not impact on all pension scheme members?

Participating in the Salary Sacrifice Holiday Buy Scheme impacts members of the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme (TPS) members but not those in the Universities Superannuation Scheme (USS).

Each of the pension schemes available to NTU colleagues operate under different rules in relation to salary sacrifice schemes for buying additional holiday, which are outside of the control of NTU.

5. Booking and taking your additional holiday

5.1 Do I need to know the dates I would like to book for my additional holiday at the time of application?

Before applying to buy additional holiday, you are encouraged to discuss your request with your line manager and give an indication of when you intend to take the additional holiday.

However, you will not need to provide any information when applying, relating to when you intend to book the additional holiday. Once you have received final confirmation of the Holiday Buy Scheme, you may book the additional holiday via the usual process in line with NTU [annual leave guidance](#). You can refer to the user guide in the [MyHR and MyPeople SharePoint site](#) for guidance on requesting holiday in MyHR.

6. Change in circumstances

6.1 What if something happens which affects my financial circumstances?

We recognise that you may need to change a salary sacrifice arrangement where a lifestyle change, or life event, significantly impacts your financial circumstances. Any of the following may be considered as exceptional circumstances – marriage, divorce/dissolution of a civil partnership, birth/adoption of a child, redundancy of partner, bereavement.

If anything like this happens to you, you can request to opt out of the scheme by emailing MyBenefits@ntu.ac.uk with an overview of the circumstances and the date from which you would like the deductions to stop. After Human Resources have reviewed your case, they can arrange for deductions from pay to stop. Human Resources will amend your holiday entitlement to reflect the amount of holiday you have bought through your salary deductions to date, prior to opting out.

7. Other queries

7.1 What will happen if the extra bought holiday goes unused?

If you have holiday entitlement remaining at the end of the holiday year, a maximum of 5 days holiday (37 hours or part-time equivalent) may be carried over from one holiday year into the next. This needs to be taken by the end of November. Any remaining holiday entitlement over 5 days, including additional holiday bought, will be lost except in cases of long-term sickness. This is detailed in the [NTU annual leave guidance](#).

If you have a specific query about unused holiday in relation to your long-term sickness, you should speak to your line manager in the first instance or contact your local HR Business Partnering team for further advice.

7.2 Can I sell back some holiday?

Currently, the scheme is to buy holiday – it isn't possible to sell holiday.