

BRUIN Financial

PAYE CONTRACTOR GUIDE TO HOLIDAY PAY

THIS GUIDE RELATES TO PAYE CONTRACTORS ONLY; IF YOU ARE A PSC OR WORKING THROUGH AN UMBRELLA COMPANY, YOU WILL RECEIVE YOUR HOLIDAY PAY THROUGH THE LIMITED COMPANY.

WHAT DO I NEED TO KNOW?

The European Working Time Regulations ensure that a PAYE contractor is entitled to 28 days paid leave per leave year (which equates to 0.12 days per week or 12.07% of your basic pay), inclusive of public holidays.

The purpose of the Working Time Regulations is to ensure that workers take holiday for their health and safety and they receive remuneration when doing so. Consequently holiday pay must be shown as a separate entry on the worker's payslip and cannot be included within their pay rate.

Therefore, as a contractor you will accrue 0.12 weeks of holiday pay per week worked, and any accrued days or holiday taken will be displayed on your payslips as "Annual Leave (Weeks) Due / Taken".

EXAMPLE PAYSリップ EXPLAINED:

This figure represents holiday pay that has been requested for this week. It is calculated using an average of your working patterns and the unit reflects your usual pay format (ie hourly or daily)*.

This figure reflects your normal pay rate in GBP. It is one of the figures used to calculate your holiday pay*.

DESCRIPTION	TIME	RATE	AMOUNT	DEDUCTIONS	AMOUNT		
08/05 Holiday Pay	7.10	22.31	158.40	National Insurance	80.86		
08/05 (End Client Name)	30.50	22.31	680.46	Tax	125.40		
				ADDITIONS	AMOUNT		
				This is the amount of holiday pay in GBP that you will receive this week.			
GROSS	838.86	ADDITIONS	0.00	DEDUCTIONS	206.26	NET DUE	632.60

Reference	XXXX - XXXX , XXXX	Gross Year To Date	4793.53
Tax Code	XXXX	Tax Year To Date	704.60
NI Number	XX-XX-XX-XX-X	Tax Week	6
NI Code	A	Free Pay	1270.38
Annual Leave (Weeks) Due	0.89	Week-ending Date	08/05/2016
		Payment Date	13/05/2016
		Method of Payment	BACS
		Annual Leave (Weeks) Taken	3.09

This figure indicates holiday pay that has been accrued, but not used (ie your remaining balance). It has already accounted for the holiday pay requested for this week. This unit is in weeks.

This figure represents holiday pay that has already been claimed. It includes holiday pay requested for this week and the unit is in weeks.

*Further information about calculating your holiday pay is available on the following page

FAQs

WHAT DOES 'ACCRUED' MEAN?

'Accrued' pay or holiday is pay or holiday that is 'banked', or accumulated. BRUIN are required to retain this on your behalf, but it remains your money to claim.

WHEN DO I GET PAID FOR HOLIDAY?

Holiday pay is paid either:

- ◆ When you take time off and request payment
- ◆ At the end of your contract if you have not taken all your holiday

HOW IS A DAY OF HOLIDAY CALCULATED?

Your hours and pay rate may vary during your contract, and the legislation states that an average of your hours and earnings over the most recent 12 week period is taken to determine your holiday pay. So if you work variable hours each week, or your rate changes this will be reflected in your holiday pay. This is why 1 day of holiday may not be the same unit of time in every payslip.

WHAT ELSE COULD CHANGE MY HOLIDAY RATE?

The Agency Workers Regulation (AWR) states that temporary workers are entitled to the same benefits and rights as a full time employee. Therefore if the end client company that you are contracting with gives their employees more than 28 days as standard, you could be entitled to more holiday pay.

This might come into effect either from day 1 of your assignment or after 12 weeks, depending on your contract and the company you are contracting with. Your consultant will advise you if this is applicable in your case.

CAN I OPT OUT OF ACCRUED HOLIDAY PAY AND HAVE IT ADDED STRAIGHT TO MY PAYSリップ?

No – this is known as 'rolled-up holiday pay' and illegal.

The Working Time Regulations were introduced after a ruling made by the European Court of Justice and it is a legal requirement in the UK for holiday pay to be a separate entry on your payslip.

HOW MUCH HOLIDAY CAN I TAKE?

The maximum holiday that can be accrued is 5.6 weeks and from this you can elect to be paid for public holidays (e.g. Christmas) and other holidays. Any holiday taken on top of this would be unpaid. Untaken holiday is carried forward for 1 year before it is lost.

HOW DO I REQUEST HOLIDAY?

You can request holiday pay by filling in the right hand columns on your timesheet and ticking the box in the far right hand column, or by requesting holiday pay by email.

I THINK MY PAYSリップ IS INCORRECT

Please let us know if you have any queries, alternatively you can refer to the gov.uk website to calculate your holiday entitlement: www.gov.uk/calculate-your-holiday-entitlement