

Annual Leave Purchasing Scheme

Frequently Asked Questions

What is the Annual Leave Purchasing Scheme?

It is recognised that there may be times when some members of staff may wish to take more than the standard contractual entitlement of annual leave. This scheme enables members of staff to "buy" additional annual leave via a salary sacrifice scheme, subject to certain conditions and eligibility criteria.

Who is included in the scheme?

The scheme applies to all members of staff who work 52 weeks of the year and have a permanent or fixed term contract in place up to the end of the leave year (31 August), that the additional leave will apply to.

I am on a term time only contract can I purchase annual leave?

No, you are unable to take annual leave during the weeks that you work and therefore it would not be beneficial to you.

Is the scheme going to be in place on a permanent basis?

The scheme will be reviewed annually at the end of each holiday year.

Do I need to confirm when I will be taking the additional leave?

No, but it would be helpful to indicate to your manager when you make the application when you are likely to want to take the additional leave. Normal annual leave authorisation applies and current restrictions as to when leave can be booked will continue.

What if my plans change and I don't want the additional leave after all - can I sell it back to the University?

No, once your application has been approved you cannot sell the additional leave back again. It is important to plan in advance and get authorisation as early as possible for all planned leave requests.

I am interested in purchasing additional leave - when do I need to apply?

Requests to purchase additional annual leave must be made during the available window of **2 October 2025 to 24 October 2025**. Requests are made through MyHR, and it is advisable to discuss your application with your line manager.

How much additional leave can I purchase?

Members of staff who satisfy the eligibility criteria can apply to buy additional annual leave equivalent to one week (pro rata for part-time staff, based on FTE) and will be calculated in hours. A standard working week is 37 hours.

Do I have to take it all in one go?

No. You are not required to take all the additional leave in one block, but it would be helpful to inform your manager when you apply how you wish to take the leave.

What effect will purchasing annual leave have on my salary?

Your salary (including any allowances) will be reduced by an amount equivalent to the number of hours being taken. This cost will then be spread out over the whole year. For part time staff this will be pro rata. For the purposes of the current scheme, they will be spread over 10 months from November 2025 to August 2026.

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

You will pay Tax and National Insurance on the reduced pay.

What are the pension implications of purchasing additional leave?

USS will accept pension contributions based on 'notional salary' i.e. your salary before any reduction is made and therefore pension benefits are not affected by purchasing additional leave.

The TPS and LGPS will only accept pension contributions based upon the reduced salary due to their scheme rules and therefore pension benefits could be affected by purchasing additional annual leave. There could be an impact on retirement benefits for those in this scheme - any questions regarding how the Annual Leave Purchase Scheme may affect your pension contributions and benefits, should be sent to the pensions team at payroll@hud.ac.uk

Will purchasing additional leave affect any state benefits?

Members of staff should be aware that salary sacrifice schemes may have an impact on Child Tax Credits (CTC) or Working Tax Credits (WTC), which are based on income from the previous tax year ending on 5 April. Members of staff purchasing additional annual leave and making a new claim for CTC or WTC should use their revised salary figure when making an application.

Will the purchase of additional leave impact on my maternity or adoption pay if I am pregnant or going through the adoption process?

Statutory benefits such as Maternity, Paternity and Adoption Pay may be affected by the salary sacrifice arrangement, due to the impact this has on total gross pay. You are advised to speak to your HR contact as soon as you know you are pregnant or will be adopting a child to discuss your options in more detail.

Can I carry over any additional leave if I haven't had the opportunity to use it?

Carry over rules for normal contractual annual leave remain unchanged and are set at a maximum of 5 days pro rata. There will be no reimbursement for unused purchased additional annual leave.

My request to purchase additional leave has been rejected. How can I appeal?

There is no right of appeal against a decision to refuse the member of staff's application.

Is this a contractual change to my terms and conditions?

No, the University reserves the right to withdraw or amend the scheme at any time.

What happens if I leave the University?

Where a member of staff leaves the University part way through the leave year, their annual leave allowance will be recalculated on a pro rata basis up to their last day of employment; this will include any additional leave purchased. Any outstanding balance on the salary sacrifice arrangement will be deducted from the employee's final salary payments.

I am on a fixed term contract; can I still purchase additional annual leave?

If your contract is in place for the total duration of the annual leave year in which you are applying, you may make an application to purchase additional annual leave.

What happens if my salary changes during the annual leave year that I have purchased additional annual leave?

If your salary changes in any way part way through the year the deductions will still be made as previously agreed. If it is due to a change in working hours, your annual leave will be recalculated, including the additional purchased leave.

What happens if my salary falls below the National Minimum Wage?

Legally 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 cannot be approved.