

HOLIDAY PAY FAQ

January 2023



Holiday Pay FAQ (PAYE)

Q1. What is the difference between my premium rate and working rate?

The premium rate includes all holiday applicable to this assignment. Hays will deduct 10.77% from this premium rate to give your working rate.

The funds that have been deducted from your premium rate will accrue within your holiday fund, and when you book holiday either with your consultant or through your timesheet portal you will be paid from this accrued holiday fund.

Q2. What does the 'Stat Hol Ded' mean on my payslip?

'Stat Hol Ded' stands for statutory holiday deduction. This is not a deduction but is just the difference between the worked rate and the premium rate. This is put to one side to enable you to take paid holidays throughout the year.

Q3. How is my holiday pay rate calculated?

The holiday pay rate is based on your average pay rate for the preceding 52 weeks worked and is calculated at the time your holiday is paid. Holiday pay rates can fluctuate if you are paid multiple rates i.e. overtime.

Q4. Can I 'claim' holiday pay at any point in an assignment?

Yes, but you can only be paid for holiday that has been accrued, and it can only be paid on the basis that you are not working on the days booked as holiday. If you book holiday and worked time on the same day in error, please inform us so that we can amend as needed.

Q5. How many hours do I have to work to accrue 1 hour of holiday pay?

1 holiday hour is accrued for every 8.29 hours worked.

Q6. I am paid a daily rate, is my holiday calculation different?

No, one complete day of work is considered (for the purposes of the holiday pay calculation) to be 8 hours. Therefore, if you work 5 full days in a week you will accrue 4.83 units of holiday pay per week ($40/8.29=4.83$).

Q7. Can I opt out of holiday deductions?

Holiday deductions are a legal requirement of PAYE in the United Kingdom so you cannot opt out. This scheme has been introduced after a ruling made by the European Court of Justice.

Q8. How do I check how much holiday I have accrued?

Your holiday accrual is displayed on your weekly payslip. You can monitor how much holiday you have accrued, how much holiday you have taken so far and how much holiday balance you have remaining.



**Q9. Do I get paid bank holidays?
Is this an automatic process if I do?**

All PAYE workers are entitled to accrue holiday for the statutory 28 days per annum which includes 8 public bank holidays. This is not automatically paid and you will need to book any bank holidays off as a holiday if you wish to be paid from your holiday accrual for it.

Q10. What happens if I am entitled to more than the statutory holiday allowance?

You will accrue holiday for the statutory 28 days per annum and the additional days are rolled up into your working rate and paid weekly for you to manage how you wish. You will see this extra amount outlined on your payslip.

Q11. What happens if I don't have enough holiday pay to cover my holiday?

You are paid holiday to the value of your holiday accrual if you overbook holiday. Holiday taken in excess of your accrual is treated as leave without pay but will be paid automatically in subsequent weeks as and when more holiday pay is accrued.

Q12. When does the holiday year run from?

The holiday year runs from January to December. Any outstanding holiday pay not taken before the end of December will be paid out in bulk sometime in January.

Q13. What happens to my holiday pay when I finish working with Hays?

If you finish your assignment and have received your final pay, please contact us and confirm your final working day so that we can request your P45. When your P45 is processed, you will be paid all outstanding holiday accrual on the next available payment run.

Q14. When will I be paid my holiday pay once I have booked a holiday?

Holiday pay is paid in the same way as normal worked days i.e. weekly in arrears. Should holiday and worked days occur in the same week and your worked timesheet is received in time, a single payslip will be produced and will show both worked hours and holiday pay on one payslip.

Q15. Is holiday pay taxed?

Yes, holiday pay is classed as taxable income and is therefore subject to tax and NI deductions. It will be taxed at the point of payment.

Q16. Can I book holiday before I have accrued it?

Yes, you can book holidays in advance, but you will only be paid for hours accrued when the holiday claim is processed. Holiday taken in excess of the accrual is treated as leave without pay but will be paid automatically in subsequent weeks as and when more holiday pay is accrued.

Q17. Can I book holiday for the same day I have booked worked time?

Yes, if you book half a day of worked time on your timesheet and half a day as a holiday request. They must both be **less than or equal to 3.75 hours** otherwise they will count as a full day and your payment for this day will fall into error. Please let us know if you book more than 3.75 hours of holiday and worked hours on the same day.

