

HRCompleteManager

HR PROFESSIONAL UK HOLIDAY ENTITLEMENT GUIDE 2026



28
STATUTORY
DAYS

5.6
WEEKS
MINIMUM

Complete Coverage Inside

Published by HRCompleteManager | January 2026 Edition



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Important Notice: This guide covers employees in terms of legal employment status under UK law. For guidance on workers, contractors, or self-employed individuals, please consult [gov.uk](https://www.gov.uk) or [ACAS](https://www.acas.org.uk) websites. Information is accurate as of January 2026. Always refer to current legislation on [gov.uk](https://www.gov.uk) for the most up-to-date requirements.

Introduction



Welcome to HRCompleteManager's comprehensive guide to UK holiday entitlements. Managing employee annual leave effectively is crucial for maintaining compliance with employment law while ensuring your workforce remains motivated and well-rested.

This guide provides clear, practical information to help UK employers understand their obligations and implement fair, compliant holiday policies. Whether you're a small business owner or an HR professional, this guide will equip you with the knowledge needed to handle holiday entitlements confidently.

What This Guide Covers:

- UK statutory minimum holiday entitlements
- Calculating entitlements for full-time and part-time employees
- Pro-rata calculations for new starters and leavers
- Bank holiday considerations and policies
- Special circumstances including maternity leave and sickness
- Legal compliance and record-keeping requirements

Understanding Holiday Entitlements

What are Holiday Entitlements?

Holiday entitlements refer to the amount of paid annual leave that employees are legally entitled to take. This includes both statutory minimum entitlements set by UK employment law and any additional leave that employers choose to provide as part of their employment package.

Key Definition

Annual Leave: Paid time off work that employees are entitled to take for rest, relaxation, and personal activities. This excludes sick leave, maternity leave, and other types of statutory leave.

Holiday Year Periods

Most organisations establish a fixed holiday year that applies to all employees. This typically aligns with either:

- **Calendar Year:** January 1st to December 31st
- **Financial Year:** April 6th to April 5th
- **Company-Specific Year:** Any 12 months chosen by the employer

Important: The holiday year must be clearly specified in each employee's contract of employment or written statement of particulars. If no holiday year is specified, it defaults to either the employee's start date anniversary or October 1st (when Working Time Regulations came into force).

Pro-Rata Entitlements for New Starters

When employees join partway through a holiday year, their entitlement is calculated proportionally based on their start date:

Example: If your holiday year runs January to December and someone starts on July 1st, they would be entitled to 50% of the full annual allowance for that year (6 months remaining ÷ 12 months = 50%).

Statutory Leave Requirements

UK Minimum Entitlement

Under the Working Time Regulations 1998, all UK employees are entitled to a minimum of **5.6 weeks** of paid annual leave per year. This is a fundamental right that cannot be waived or reduced.

Standard Full-Time Entitlement
For employees working a standard 5-day week:

5 days per week × 5.6 weeks = 28 **days annual leave**

Maximum Entitlement Cap

While the minimum is 5.6 weeks, there is a maximum cap of 28 days for statutory entitlement, regardless of how many days per week an employee works.

Working Pattern	Calculation	Statutory Entitlement
5 days per week	5×5.6	28 days
6 days per week	$6 \times 5.6 = 33.6$	28 days (capped)
4 days per week	4×5.6	22.4 days (rounded to 23)

Public and Bank Holidays

Important Distinction: There is no automatic statutory entitlement to paid leave for public or bank holidays. Employers have three options:

- Include bank holidays as part of the 28-day statutory minimum
- Provide bank holidays in addition to the 28-day minimum
- Require employees to work on bank holidays (with or without premium pay)

Enhanced Leave Policies

Many employers provide more generous leave policies, commonly offering:

- 20-25 days annual leave PLUS 8 bank holidays (28-33 days total)
- Additional days based on length of service
- Extra days for special occasions (birthdays, volunteering, etc.)

Essential Holiday Management Principles

Core Principles for Compliance

1. Equal Treatment

Part-time employees must receive the same proportional entitlement as full-time colleagues. Discrimination based on working hours is unlawful.

2. Rounding Rules

Holiday entitlements must always be rounded UP to the nearest half-day or full day. You cannot round down.

3. Employer Control

Employers can specify when employees take their leave, including:

- Mandatory closure periods (e.g., Christmas shutdown)
- Blackout periods during busy
- seasons Notice requirements for booking leave

4. Weekly Equivalent Principle

A week of holiday should equal the time an employee would normally work in a week.

Leave Approval and Scheduling

Establish clear policies for:

Notice Requirements

Legally, employees must give notice equivalent to twice the length of leave requested. For example, to take 5 days off, they must give 10 days' notice. However, employers can be more flexible.

Carrying Over Leave

Default Position: There is no automatic right to carry over unused holiday. However, employees **MUST** be allowed to take their statutory minimum 4 weeks during the holiday year.

Carry-over is permitted in these circumstances:

- Employee was unable to take statutory minimum due to sickness
- Employee was on maternity/parental leave
- Employer prevented employee from taking leave
- Company policy explicitly allows carry-over

Record Keeping Requirements

Employers must maintain accurate records of:

- Annual leave entitlements for each employee
- Leave taken and remaining balances
- Dates when leave was taken
- Any carry-over arrangements
- Holiday pay calculations

Best Practice: Use HRCompleteManager's leave management system to automatically track entitlements, requests, and balances, ensuring full compliance and reducing administrative burden.

Calculating Part-Time Employee Holiday



Hours-Based Calculation Method

For accuracy and flexibility, especially when working patterns vary, calculate part-time holiday entitlements based on hours rather than days.

Basic Formula

Annual Hours Method:

Employee's weekly hours \times 5.6 weeks = Annual holiday entitlement in hours

Worked Examples

Example 1: Part-Time Employee (20 hours/week)

Calculation: 20 hours \times 5.6 = 112 hours annual leave

In days: If they work 4 hours per day, this equals 28 days (112 \div 4)

If they work 5 hours per day: 22.4 days, rounded up to 23 days

Example 2: Part-Time Employee (15 hours/week, 3 days)

Calculation: 15 hours × 5.6 = 84 hours annual leave

In days: If they work 5 hours per day, this equals 16.8 days, rounded up to 17 days

Alternative Days-Based Calculation

For employees with regular daily patterns:

Days Formula

Working days per week × 5.6 weeks = Annual holiday entitlement in days

Working Pattern	Calculation	Entitlement
3 days per week	3 × 5.6	16.8 → 17 days
4 days per week	4 × 5.6	22.4 → 23 days
2.5 days per week	2.5 × 5.6	14 days

Irregular Hours and Casual Workers

For employees with irregular hours or casual workers, use the 12.07% accrual method introduced in April 2024:

12.07% Method

Holiday accrues at 12.07% of hours worked in each pay period. This method can be applied as:

- **Pay-as-you-go:** Add 12.07% to wages each pay period
- **Accrual system:** Calculate 12.07% of hours worked and pay when leave is taken

12.07% Calculation Example

Scenario: Casual worker works 25 hours in a week

$25 \text{ hours} \times 12.07\% = 3.02 \text{ hours of holiday accrued for that week}$

Bank Holiday Entitlements

Understanding Bank Holiday Rights

Bank holidays are not an automatic entitlement under UK employment law. Employers have full discretion over how to handle the 8 public holidays in England and Wales.

Common Bank Holiday Policies

- **Option 1:** Bank holidays included in statutory 28 days (20 + 8 = 28 total)
- **Option 2:** Bank holidays given in addition (20 + 8 = 28 annual + 8 bank = 36 total)
- **Option 3:** No paid bank holidays (employees work or take from annual allowance)

Part-Time Bank Holiday Calculations

When part-time employees are entitled to bank holidays, calculate their entitlement proportionally:

Pro-Rata Bank Holiday Formula

$(\text{Employee's weekly hours} \div \text{Full-time weekly hours}) \times 8 \text{ bank holidays}$

Part-Time Bank Holiday Example

Employee works: 20 hours per week (full-time = 37.5 hours)

Calculation: $(20 \div 37.5) \times 8 = 4.27 \text{ bank holidays}$

Rounded up: 4.5 bank holidays (or 5 days)

Bank Holiday Policies for Different Working Patterns

Working Pattern	Bank Holiday Approach	Recommendation
Monday-Friday	Standard 8 bank holidays	Give all 8 as they fall on working days
Weekend workers	Days in lieu when bank holidays occur	Provide equivalent time off
Shift workers	Pro-rata based on shift pattern	Calculate based on shifts that would fall on bank holidays

Managing Bank Holiday Requests

Key Consideration: If you provide bank holidays as additional leave, employees cannot be forced to work on those days unless this is clearly stated in their contract and they agree to the terms.

Best Practices:

- Clearly state bank holiday policy in employment contracts
- Be consistent across all employees in similar roles
- Consider operational needs when setting policies
- Communicate changes well in advance

Frequently Asked Questions



Annual Leave Carry Over

Q: Can employees carry over unused holiday time to the next year?

A: Generally, no. There's no automatic right to carry over unused holiday. However, employees must be allowed to carry over leave if they couldn't take their statutory minimum 4 weeks due to:

- Long-term sickness
- Maternity/paternity leave
- Employer preventing them from taking leave

Carried-over statutory leave can be taken for up to 18 months after the original holiday year ends.

Q: How much notice must employees give for holiday requests?

A: The legal minimum is twice the length of leave requested (e.g., 10 days' notice for 5 days off). However, employers can set more flexible notice periods in their policies.

Emergency leave may require different considerations.

Holiday Pay and Calculations

Q: How do you calculate holiday pay for employees with variable hours?

A: For employees with irregular hours, use the average pay over the 52 weeks before the leave period (excluding weeks where no work was done). The 12.07% accrual method can also be used for casual workers from April 2024.

Q: What happens to accrued holiday when an employee leaves?

A: Employees must be paid for any accrued but untaken holiday. If they've taken more than their pro-rata entitlement, you can only recover the overpayment if their contract specifically allows this and they consent.

Special Circumstances

Q: Do employees accrue holiday during maternity leave?

A: Yes, holiday continues to accrue throughout maternity leave. Employees can take this accrued holiday to extend their time off or return to work later. Holiday cannot be taken during the compulsory 2-week maternity leave period immediately after birth.

Q: What if an employee falls sick during a pre-booked holiday?

A: If an employee becomes genuinely ill during holiday, best practice is to treat the period as sick leave instead of annual leave, returning the holiday days to their allowance. You can request medical evidence for this change.

Q: Can employers force employees to take a holiday at specific times?

A: Yes, employers can require employees to take leave at specific times (e.g., during company shutdowns) provided this is stated in the employment contract and reasonable notice is given (typically twice the length of the required leave period).

Compliance and Legal Issues

Q: What are the penalties for not providing statutory holiday entitlement?

A: Failing to provide statutory holiday entitlement is a breach of employment law and can result in:

- Employment tribunal claims
- Unlimited compensation awards
- HMRC investigations and penalties
- Damage to company reputation

Q: How long must holiday records be kept?

A: Employment records, including holiday records, should be kept for at least 3 years after the employment ends. Some advisors recommend 6 years to cover potential civil claims. Digital records through HR systems like HRCompleteManager make this easier to manage.

Modern Working Arrangements

Q: How do compressed hours affect holiday entitlement?

A: Employees on compressed hours (e.g., working full-time hours over 4 days) are entitled to the same total hours of holiday as standard full-time employees. However, each "day" of holiday represents more hours off. Use hours-based calculations for accuracy.

Q: Do zero-hour contract workers get holiday pay?

A: Yes, if they're employees or workers (not self-employed). Use the 12.07% accrual method or calculate based on average hours over the previous 52 weeks. The key is their employment status, not their contract type.

About HRCompleteManager

HRCompleteManager is a comprehensive HR management software solution designed for UK businesses of all sizes. Our desktop-based system provides secure, offline HR management with no per-employee billing, offering complete control over your sensitive HR data without cloud-based vulnerabilities.

Our Holiday Management Solution

Take the complexity out of holiday management with our comprehensive leave management system:

✓ Complete Holiday Management

Book, approve and track holiday requests with automatic carry-over controls

✓ Comprehensive Reporting

Simple reports showing current and planned holiday status for all employees

✓ Bank Holiday Integration

Import national bank holidays specific to your region

✓ Secure Data Storage

256-bit encrypted database, completely offline from the internet

✓ Absence Tracking

Monitor and report on absences, sickness, maternity and lateness

✓ Customizable Access

Control user access via roles, responsibilities, and permissions

Why Choose HRCompleteManager?

- **No Cloud Risks:** Desktop-based system with no internet exposure - your data stays on your network

- **Transparent Pricing:** One-time perpetual license with no per-employee fees - unlimited users
- **Comprehensive Features:** Full employee records, holidays, absences, disciplinarys, grievances, and more
- **Scalable Solutions:** From single computers to multi-site corporate installations
- **Data Security:** 256-bit encrypted database with transaction logging and simple backups

Discover HRCompleteManager

Experience professional HR management with transparent pricing starting from just £495 for a perpetual single-computer license. No per-employee fees, no hidden costs, and unlimited users.

Visit: www.hrcompletemanager.com |
 Email: info@hrcompletemanager.com

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January 2026