

## 1. Introduction

We understand that there are times when people may want additional planned time off work. The Annual Leave Purchase Scheme (ALPS) offers employees the opportunity to purchase up to 36.5 hours (equivalent to 5 additional days) of annual leave per year (pro-rated for part-time staff) on top of your normal holiday entitlement. ALPS is a salary sacrifice scheme. Salary sacrifice is a contractual arrangement between you and the University whereby you agree to give up part of your salary in exchange for additional annual leave. The cost of the additional leave is deducted from your salary in equal instalments.

In this document you will find information about the scheme, how it works, and how to apply.

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***BY SUBMITTING A REQUEST, YOU ARE CONFIRMING THAT YOU UNDERSTAND AND AGREE TO THE TERMS OUTLINED IN THIS PROCESS.***

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## 2. Eligibility

You will **not** be eligible to participate if:

- You are paid separately for leave. This includes, but is not limited to, term-time only contracts and hourly paid workers.
- Deductions would reduce your salary below the National Minimum Wage (NMW).
- Deductions would affect your visa eligibility by lowering your salary below the required threshold.

### 2.1 Can I apply for the ALPS if I am on a Fixed Term Contract?

You can apply to purchase additional annual leave if you are on a fixed term contract, regardless of its length. If necessary, any outstanding deductions will be taken from your final pay. By applying for the scheme, you agree to any applicable deductions being made from your pay.

## 3. How it works

You can purchase up to 36.5-hours (equivalent to 5 additional days) of leave per year (pro-rated for part-time staff). Annual leave is calculated in hours based on a 36.5-hour work week.

There will be two windows each year to purchase additional leave, this will usually be in August and February. During 2025/2026 annual leave year there will only be one opportunity to purchase annual leave in February.

The purchase window dates will be announced prior to the start of the annual leave year.

### 3.1 Is this a contractual change to my terms and conditions?

When a request to purchase additional annual leave is approved, it will result in a pay deduction via salary sacrifice. By sacrificing some of your salary, it reduces the amount of national insurance both you and the University pay. It is important to remember that by agreeing to a salary sacrifice, you are agreeing to a change in the terms and conditions of your employment. This constitutes a temporary amendment to the staff member's terms and conditions of employment for the duration of the relevant leave year.

By submitting a request to purchase annual leave, you confirm that you have read and agreed to the terms detailed in this process. This includes agreeing to a temporary change to terms and conditions of your employment for the leave year and the resulting change to your pay.

## 4. How do I apply?

Before submitting your request, you should first discuss it with your line manager. This conversation is important to ensure your manager can assess any potential operational impact and that your additional leave aligns with your personal plans.

Your department may have specific conditions in place, such as operational requirements and/or local holiday arrangements. Please speak with your line manager, who will outline any relevant requirements during your initial conversation.

Departments will communicate any additional requirements and local timelines when the purchase window opens.

After speaking with your line manager, you can submit your application for additional annual leave through Employee Self Service (ESS). By submitting your request, you are confirming that you understand and agree to the terms outlined in this document.

### 4.1 When can I apply to purchase annual leave?

There are two holiday purchase windows each year where you can request to buy additional annual leave. You cannot apply at any other time. Applications received after this period will not be considered, and requests outside these dates will not be approved.

For the leave year 2025-2026, there will only be one purchase window, open from 16<sup>th</sup> February to 28<sup>th</sup> February. The additional leave purchased can be booked between 1 March and 31 August 2026 only.

### 4.2 Can I apply at another time during the year?

No, you can only apply during the specified purchase windows. The purchase windows may change in the future if the scheme requires it.

### 4.3 Can I purchase annual leave in both purchase windows?

No. While there are two purchase windows each leave year, you can only purchase additional annual leave once per year. This means you must choose one of the two windows to apply — you cannot buy additional leave in both.

## 5. How is my request considered?

Your request will be considered by your line manager and may also be considered at a departmental level alongside any other requests submitted within your department or team.

Requests will be considered based on factors such as:

- Impact on the operational service
- Staffing requirements and team capacity
- Workload implications for others within the team.

Depending on the number of requests received and the department's operational needs, it may not be possible to approve all, or any applications. Departments are expected to consider requests in a fair and consistent way, taking into account both individual and operational needs.

If there are operational concerns identified, the line manager should discuss these with the employee and explore where alternative options might be suitable. For example, it may be possible to agree a reduced number of hours than originally requested.

In addition, your request will be reviewed by Payroll and Human Resources to ensure that any salary deductions do not result in pay falling below the National Minimum Wage.

If your request is approved, you will receive confirmation via email. If it is declined, you should be informed of the reasons for this by your line manager and you will also be notified by email.

### 5.1 Can my line manager decide not to approve my request?

Yes. Approval of requests is at the discretion of your line manager and/or Head of Department. There is no automatic entitlement to purchase additional annual leave. All requests will be considered fairly and consistently, considering operational and business requirements.

### 5.2 Why has my application has been rejected by HR or Payroll?

Even with the support of your line manager, your application may be rejected by HR or Payroll for the following reasons:

- Your holiday is paid for. This includes, but not limited to, hourly paid workers and term time only contracts.
- The deductions to your salary would take your pay below the National Minimum Wage.
- The change to your salary would impact your visa eligibility.

### 5.3 Is there a right to appeal if my line manager refuses my annual leave purchase request?

No, there is no right of appeal if your manager does not approve the request.

## 6. How do I use my purchased annual leave?

Once you submit your request, the purchased hours will show in your annual leave balance on ESS. However, you should not book any leave until you receive confirmation that your request has been approved. As with annual leave requests in iTrent, requests may be visible before approval, but they cannot be used until approval is confirmed.

Please note, your department may ask you to specify dates during the application process, this is to help assess the operational impact of your purchasing additional leave.

If your request has been approved on the basis that the leave will be taken on specific dates, you are required to book those dates once approval is confirmed.

### 6.1 How much annual leave can I purchase?

Annual leave is calculated in hours rather than days. You can purchase up to a maximum of 36.5 hours of additional leave per year (pro-rata for part-time staff).

You can only submit one request per year. Once your request is approved, it cannot be amended.

### 6.2 When do I have to take the leave by?

You must take this leave during the leave year for which it was requested. Carry over rules apply – see the [point 6.5](#) for further details on this.

### 6.3 Do I have to take all the purchased leave at once?

No, the purchased leave will be added to your total annual leave balance in ESS.

Some departments may only be able to approve additional leave requests if you have specific dates in mind. Where this is the case, you will be required to book the leave you have purchased on approval.

### 6.4 Will I be able to be able to sell back my purchased leave if I change my mind?

No, the University will not buy back any purchased hours once they have been approved.

## 6.5 Does a request carry on from year to year?

No, a separate request must be made for each leave year, and you must take the leave during the leave year for which it was requested. Normal annual leave carry over rules will apply, see [point 6.6](#) below for more information on carrying leave over.

## 6.6 If I didn't use all my additional purchased annual leave, will I be able to carry the purchased leave forward into the next annual leave year?

Normal annual leave carry over rules will apply, allowing you to carry forward a total of 36.5 hours (pro-rated for part-time staff), into the next leave year. Any unused leave above the normal 36.5 hours (pro-rata for part-time) will be lost, and will not be refunded.

In exceptional circumstances, such as long-term sickness, where you may be unable to take your purchased leave within the leave year, please contact your HR Business Partner (BP) or HR Advisor for guidance.

# 7. Adjustments to Pay

The deductions to your salary will be calculated in hours and includes your basic pay and any additional allowances or supplements you receive.

The scheme operates via salary sacrifice, where part of your gross salary is exchanged for additional leave. A salary sacrifice scheme forms a contractual agreement between the employee and employer where an employee agrees to reduce their salary in exchange for additional benefits (in this case, additional annual leave).

Each hour of additional annual leave costs the equivalent of one hour's pay. The cost is calculated based on your salary at the time you request the leave and will not change if your pay or working hours change later.

We'll deduct the cost of the extra annual leave from your gross salary (before your tax and NI contributions), with the overall cost being spread over either 12 or 6 equal deductions from your monthly pay.

- If you purchase leave in the August window, the cost will be based on your salary on 1 September. With 12 equal monthly deductions from September to August.
- If you purchase leave in the February window, the cost will be based on your salary on 1 March. With 6 equal monthly deductions from March to August.

This agreement only applies for this leave year. If you wish to purchase additional leave in future years, you must apply again during the annual leave purchase window.

## 7.1 What amount will be deducted from my pay?

Annual leave will be purchased in hours with each hour being calculated based on your total full time equivalent salary divided by 1898. This will include your basic pay and any additional allowances you receive.

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

Once a purchase has been agreed, a deduction from your gross salary (your pay before you have paid tax and national insurance) will be made. The additional leave is paid for via salary sacrifice through a reduction in salary equivalent to the number of hours' leave being taken. Purchased annual leave is not a taxable benefit and is not reported on a P11D.

## 7.3 Will purchasing additional annual leave affect my entitlement to state benefits?

Purchasing additional leave involves reducing salaries via salary sacrifice. If your salary falls below the Lower Earnings Limit, your entitlement to state benefits (such as state pension, statutory maternity pay, etc.) may be affected. Staff should consider this before deciding to take additional leave. Any queries should be raised with the Payroll Team.

## 7.4 Will it affect my pension?

The impact of salary sacrifice on your pension depends on the specific salary sacrifice scheme and the pension scheme you are a member of.

- **USS pension scheme:** Your pension won't be affected by salary sacrifice. Your pensionable pay will remain at the pre-salary sacrifice level, meaning no reduction in pension contributions or the value of eventual pension benefits.
- **Avon Pension Fund (LGPS), UoBGPP or NHS Pensions:** The salary sacrifice arrangement will reduce your pensionable pay, impacting the value of eventual pension benefits. This could affect both final salary benefits under the old LGPS arrangements and the current build-up of CARE benefits. Additionally, Death in Service payments would be based on post-sacrifice salary and therefore reduced.

As your pensionable pay reduces, the value of your pension contributions will also reduce. Ensure you have considered the impact on your pension position fully before deciding to participate. Any queries about the impact on pensions can be sent to the [Pensions Team](#).

## 7.5 What would happen if my salary were to fall below the National Minimum Wage as a result of purchasing additional annual leave?

Your salary cannot fall below the National Minimum Wage after deductions for the purchase of additional leave. If this would occur, your application will not be approved, and you will be notified by Payroll.

## 8. Other types of leave and considerations if purchasing additional leave

### 8.1 Family leave

If you take any form of 'Family Leave' and are on occupational pay then deductions will continue to be made unless they reduce your pay below the statutory minimum. If that happens, deductions will be suspended and resume after your return and taken on your return to work.

Statutory family-related pay (such as Statutory Maternity Pay, Statutory Adoption Pay, and Shared Parental Leave Pay) is based on your average earnings during a specific period. If you enter a salary sacrifice scheme this could affect the amount of statutory pay you receive. For advice, please speak to your HR Business Partner or Advisor.

### 8.2 I am on family leave when the application window is open, can I apply to purchase additional annual leave?

If you are on family leave - such as maternity, paternity, adoption, or shared parental leave - you can still apply to purchase additional annual leave. However, your application must be submitted during the designated application window.

### 8.3 Sick leave

If you are receiving occupational sick pay, deductions for purchased annual leave will continue as normal unless continuing them would reduce your pay below the statutory minimum. If that happens, the deductions will be paused and will resume once you return to work, with any missed amounts collected from your pay (this may be in full, or an agreed timeline with Payroll). Any recovery of missed deductions will be capped to ensure pay does not fall below the National Minimum Wage in any pay period.

### 8.4 What happens to any annual leave I have purchased if I am on family leave or absent from work due to being unwell?

Any remaining balance of your purchased annual leave will remain in your balance to be used on your return. For absence due to ill-health any requests for additional leave carry over will be considered in line with the Managing Sickness: Supporting Staff policy and procedure.

If due to Maternity or Adoption leave you are unable to use your additional leave in the year that it was purchased, then this will be carried forward to the next leave year.

### 8.5 What happens if I go onto a period of nil pay and the deductions can't be made?

If you enter a period of nil pay - for example, due to extended long-term sickness absence - the payment period will be paused until you return. Once you start receiving pay again, any missed

deductions will be collected from your pay (this may be in full, or an agreed timeline with Payroll). Any recovery of missed deductions will be capped to ensure pay does not fall below the National Minimum Wage in any pay period.

## 9. Leaving the University

If you leave the University, the outstanding balance for the scheme will be deducted from your final pay, provided NMW rules are not breached, with any remaining monies repaid by the employee direct to the University. In line with the normal requirements of the University, any outstanding leave should be taken prior to your last date of employment. Unused leave, purchased or otherwise, will not be refunded.

## Questions and Answers

### 10. Is the ALPS going to be available permanently?

The ALPS is currently being piloted over a 24-month period. Its continuation will be subject to annual review to assess its effectiveness and viability. Please note that access to ALPS is at the University's discretion and is not a contractual entitlement. The University reserves the right to amend or withdraw the scheme at any time.

### 11. What is the difference between additional annual leave (purchased) and unpaid leave?

Unpaid leave is typically used to cover short-notice or unexpected situations and is deducted in full, from your next month's salary. In contrast, additional purchased annual leave is intended for planned time off, agreed in advance for a specific purpose. The cost of purchasing this leave is spread over a set period.

For more information on other types of leave, such as dependent, parental, carers, or flexible working requests, please refer to our [Leave Policy](#).

### 12. Can I request a period of unpaid leave in addition to an application for additional annual leave?

Yes, you can request unpaid leave via the normal process, subject to approval.

### 13. What happens if I want to change my contracted hours after I have purchased some additional annual leave?

If your contract changes, your purchased annual leave arrangements would remain the same and not be affected. Your monthly deductions for ALPS will also remain the same for the rest of the annual leave year, provided you remain eligible.

## 14. What happens if I move into another role after I have purchased some additional annual leave?

If your position changes, your monthly deductions for ALPS will remain the same for the rest of the annual leave year, provided you remain eligible. Your purchased annual leave balance will move with you to the new role.

Please inform your new line manager that you have purchased additional annual leave and how many days you have remaining to take.

## 14. Who should I contact if I have a question about the scheme?

For general queries, please contact the [Reward team](#).

In exceptional circumstances, not otherwise covered by this process document, such as long-term sickness, where you may be unable to take your purchased leave within the leave year, please contact your HR Business Partner (BP) or HR Advisor for guidance. Find your HR contacts on our [HR contacts app](#).