

## Calculating holiday entitlement for part-year and irregular hours workers Acas response

3 March 2023

This is the Acas Executive response to the [government's consultation on calculating holiday entitlement for part-year and irregular hours workers](#).

### Our response

As chief executive, I welcome this opportunity to respond on behalf of Acas to the government's consultation on calculating holiday entitlement for part-year and irregular hours workers.

Acas has considerable experience of offering impartial advice and guidance to both employers and workers on holiday queries through our helpline and website. We also provide conciliation in employment tribunal cases, and mediation in collective and individual disputes.

For instance, from April 2021 to March 2022, Acas recorded a total of 623,237 queries from individuals and employers to our national helpline, of which 45,570 related to holiday issues.

Our website was visited a total of 14.5 million times, and advice on holidays was viewed in around 690,000 of these visits.

Acas is a statutory, non-departmental public body with a duty to improve employment relations in Great Britain (England, Scotland and Wales).

Rather than answer the specific questions posed in the consultation, Acas would like to offer some general thoughts that we feel would help consideration of holiday entitlement calculation for part-year and irregular hours workers.

### Bringing clarity to calculating entitlement

Changes in the labour market, and in particular the growth in workers on non-standard contracts mean that the existing legislation on calculating holiday entitlement is lacking in certainty in relation to these newer ways of working.

Acas welcomes the opportunity to increase clarity on this subject for employers and workers by:

- providing a clearly defined method to use for calculating entitlement
- ensuring an employer knows what information they will need to collect to carry out a calculation
- giving workers a clear idea of how much holiday is available to them

An important additional step to improve clarity would be to ensure the different types of workers this change would apply to are clearly identified so all are clear on whether the preferred method of calculation applies to their situation.

For example, an employee or worker hired on a fixed-term contract for 2 months:

- may fall into the definition of part-year if they do not have hours set for every week
- may not fall into the definition of part-year if they do have hours set for every week

## Highlighting the separation between holiday entitlement and holiday pay

We know from our helpline advisers that there can be significant confusion among managers and workers on the distinction between holiday entitlement and holiday pay.

It is important that future guidance makes a clear distinction in the process for calculating:

- how much entitlement is used by someone for a particular holiday
- pay for a particular holiday

## Equality

Ensuring equality will be an important part of any new system adopted for the calculation of holiday entitlement.

Acas feels that careful consideration should be given to addressing potential inequality issues raised by the proposal. We believe it should include weeks in which workers perform no work in the holiday entitlement reference period.

For instance, where a part-year or irregular hours employee who would normally be carrying out work goes on maternity leave or reports sickness due to a disability. They could potentially face the possibility of receiving a lower holiday entitlement than they would otherwise have done, as a consequence of their protected characteristic.

## Conclusion

Acas understands that employers and workers face challenges when calculating holiday entitlement and pay so providing clarity here will be welcomed.

There is an important role for clear guidance to help improve understanding, encourage meaningful discussions and promote good decision making in this area.

Acas stands ready to update our non-statutory guidance to reflect any legal reforms. We will also look at whether we need to produce any further non-statutory guidance. This is all with the aim of further promoting best practice and meaningful change across organisations and people's working lives.

The development of our guidance incorporates user testing to ensure both comprehensibility and navigation of our content. Both will be important in this nuanced area of workplace practice, particularly in promoting new regulation.

We look forward to the outcome from the consultation and welcome the chance of further collaboration with the government and other stakeholders.

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