

Calculating holiday pay

When a worker takes holiday, they should get the same pay when they're on holiday as when they're at work.

Some employers might offer better holiday pay schemes. Workers should check their contract.

Holiday pay calculations can be based on:

- days or hours worked per week
- casual or irregular hours
- shifts

Holiday pay is based on weekly pay, so it's helpful to work this out first.

How to calculate a week's pay

For calculating holiday pay, a week usually starts on a Sunday and ends on a Saturday.

A worker's holiday pay should be calculated from the last full week that they worked. This can end on or before the first day of the worker's holiday.

Another 7-day period should only be used if that's how the worker's pay is calculated.

For example, a worker's pay is calculated by a week ending on a Wednesday. They should treat a week as starting on a Thursday and ending on a Wednesday.

Calculating holiday pay for different working patterns

How to calculate someone's holiday pay depends on their working pattern.

Fixed hours

If a worker's working hours do not vary, their holiday pay will be calculated using their usual pay rate. This is the case whether they work full time or part time.

For example, a worker works 37 hours every week and gets paid £500 a week. When they take a week's holiday, they must get paid £500.

Irregular hours workers and part-year workers

There are specific rules for working out holiday pay for irregular hours workers and part-year workers.

[Find out more about holiday pay for irregular hours workers and part-year workers](#)

If someone changes the hours they work

Sometimes a worker might change from full-time to part-time hours while working for the same employer. Their holiday entitlement should be recalculated from the date that the change happens.

The change of hours does not affect any holiday accrued up to the date of the change.

For example, 3 months into the holiday year Pat reduces from 40 hours a week to 20 hours a week. During these 3 months Pat took no holiday. Pat's holiday entitlement for the year should still be calculated based on 3 months at 40 hours and 9 months at 20 hours.

In the first year of a job

In the first year of their job, a worker might be able to take paid holiday before they've 'accrued' it (built it up). They must agree this with their employer. For example, an employer might agree to a worker taking holiday soon after they start their job.

What holiday pay must include

By law, holiday pay must include:

- payments linked to doing tasks required in the contract, for example commission
- payments related to professional or personal status, for example for length of service, seniority or professional qualifications
- other payments, for example overtime payments, if a worker has regularly been paid these during the last year

Employers must include any relevant payments for at least 4 weeks of a worker's paid holiday entitlement.

Some employers might include these payments in the full 5.6 weeks' paid holiday (statutory annual leave), but they do not have to.

Rolled-up holiday pay

Workers must get paid for their holiday when they take it. If an employer spreads holiday pay over the year by adding an amount on top of their workers' hourly rate, this is known as 'rolled-up' holiday pay.

Employers must not do this unless a worker is covered under the new rules for irregular hours workers and part-year workers.

Leave years starting on or after 1 April 2024

For leave years starting on or after 1 April 2024, employers can choose to use rolled-up holiday pay. This applies to irregular hours workers and part-year workers only.

[Find out more about rolled-up holiday pay for irregular hours workers and part-year workers](#)

If someone thinks their holiday pay should be different

If a worker thinks their holiday pay should be different, they should check their contract. It might make clear:

- how their pay is calculated
- whether the employer offers more than the legal minimum paid holiday

Workers should talk with their employer if:

- they think they're not getting as much paid holiday as they're entitled to

- they're not sure how their holiday pay is being calculated

[Find out about how to raise a problem at work](#)

Making a legal claim

If an employer does not correct a problem with holiday pay, a worker could make a claim to an employment tribunal.

There are strict time limits for making a claim to an employment tribunal.

In most cases, a worker has 3 months minus 1 day from the date of the most recent wrong holiday payment.

Find out more about:

- making a claim to an [employment tribunal](#)
- [employment tribunal time limits](#)

Contact the Acas helpline

If you have any questions about calculating holiday pay, you can [contact the Acas helpline](#).