



Buying and selling annual leave – an employee guide

Change history

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Buying, selling and banking annual leave – an employee guide

1 Introduction

All employees receive paid annual leave according to their contract of employment – part timers who work less than five days a week receive their annual leave on a pro rata basis.

This scheme allows employees some flexibility to alter that entitlement, by buying some additional leave days, by selling some of their leave days, or by banking some days to be used in the following two years. This guide explains how the scheme works, so you can decide if you wish to take advantage of the extra flexibility.

The ability to buy or sell annual leave applies to the coming annual leave year – not the current annual leave year. Therefore, the applications made in January 2026 apply to the April 2026 to March 2027 annual leave entitlement.

2 Scope

This guidance applies to all employees of Bracknell Forest Council, except for:

- Employees working on a Term time only basis.
- Any employee on Senior Salary grades – e.g. Assistant and Executive Director
- For individuals undertaking fixed term work which does not cover the full financial year.
- For individuals undertaking casual work

3 Buying and selling annual leave

3.1 What is this all about?

Extra holiday may appeal for all sorts of reasons – the chance to spend more time with your family, special holidays, time to complete some special project of your own. Alternatively, if you wish to use less than your full leave entitlement, this gives you the opportunity to exchange some of it for extra salary. It's all about giving you some extra choices and flexibility.

3.2 Are there limits to how much leave I can buy, sell or bank?

Yes, there are.

First of all, the law says that you must have 20 days annual leave per full year (pro rata for part timers) and that you cannot be paid in lieu of these days instead.

So whatever combination of buying, selling and banking you consider, you must always ensure that your leave days do not fall below 20 per year. (That's 16 days if you work four days a week, 12 if you work three days a week, 8 if you work two days a week and 4 if you work one day a week.)

If you work on a full-time basis,

- The maximum number of days you can buy is 10 (dependent on carry forward - see next paragraph).
- The maximum number of days you can sell is 5.
- The maximum number of days you can bank is 10.

The maximum amount of annual leave that can be added to entitlements, from carrying forward and/or buying annual leave is now capped at 2 weeks. Therefore, if you are full time and are carrying forward 5 days, the maximum you can buy is 5 days. Additionally, if you are already carrying forward 2 weeks annual leave, you will not be eligible to buy additional annual leave.

3.3 Who is eligible?

Most permanent or fixed term members of staff who will be employed for the annual leave year **2026-2027**.

The scheme is based around making decisions for the whole of an annual leave year ahead, so if you are a Casual Worker, the scheme is not available to you.

A temporary employee with a contract which covers the whole of the year in question, will be able to participate.

Employees working on a term time only basis or school-based staff are not included, as most of them have fixed term-times and holiday times which cannot be changed on a personal basis.

3.4 What if I don't work a five day week?

A part-timer working less than five days per week should remember entitlements will be pro rata. The maximum figures given throughout this guide are for those working 5 days per week. (If you work less than 5 days per week, remember that 10 days translates to 2 days for every day you work in the week, and 5 days translates to 1 day for every day you work in the week). Whenever examples are given in this guide, we will include one which a part-timer can follow.

If you are contracted to work 6 days per week then the maximum numbers quoted still apply to you.

If you work on a variable rota which does not have a standard number of days per week working, or if your shifts are of varying lengths, you will still be able to participate in the scheme on a pro rata basis. If you are not sure how the examples relate to you when you've read these questions and answers, but think you might wish to buy, sell or bank, please feel free to ask your manager to help you check your pro rata entitlements.

3.5 Will I pay or be paid for annual leave days up front?

No, the scheme will adjust your pay accordingly over a full year, either by making monthly deductions for bought leave or by making monthly payments to you for sold leave. The amounts will be based on a percentage of your salary so if your income varies or a pay adjustment goes through, the amount you are paying will automatically adjust.

Banking from your current year's entitlement, of course, will not cost you anything at all.

3.6 Will a salary sacrifice affect anything other than my pay?

The deductions will be made from your salary by way of salary sacrifice. A salary sacrifice is based on the employee giving up the right to receive part of their normal contractual pay in return for a benefit.

The sacrifice reduces an employee's gross pay which will have implications on future payments. For example, the reduced salary will be used for most salary-related calculations – such as Statutory Sick pay, maternity pay or redundancy payments.

3.7 What does a single day's leave cost to buy or sell?

For a full-time (5 days per week) worker, one day is priced at 1/260th (or 0.385%) of your annual salary (this will include regular salary, like local weighting and shift allowances, but not things like overtime or car allowances). The percentage will reflect changes in your pay throughout the year, of course, but to get a rough idea of the cost, here are some examples:

Employee A earns £20,000pa working a 5 day week.

The cost of one day of holiday is $£20,000 \times 0.385\% = £77$.

That means the monthly cost on their current salary is approximately £6.42.

Employee B earns £20,000pa over a 3 day week.

The cost of one day of holiday is $£20,000 \times 0.641\% = £128.2$.

That means the monthly cost on their current salary is approximately £10.68.

Employee C earns £20,000pa as well, still part-time, but he works over 5 days – mornings only. This calculation is the same as Employee A's, since they work the same number of days per week, and one day's leave will cost £77 (£6.42 per month). The fact that the working days are shorter than employee A's does not affect the calculation.

You don't need to worry about getting the amounts exact – the payroll is set up to take the appropriate amounts – but this method will give you a good idea of the cost at your current salary.

3.8 I work a rota, I don't have standard days per week, and my shifts are of different lengths. How do I do the calculation?

Remember it's the number of days regularly worked that is significant, not the hours. Don't take account of odd days of overtime – concentrate on the basic rota or pattern.

Employee D works an average five-day week but on a rota with some short and some long days. (This annual leave entitlement is usually quoted in hours and the employee books leave off in hours, because the days are not a standard length). This employee must work out the cost based on the average five days worked. When the day D has bought or sold is added to or subtracted from the total on the leave card, it will be recorded as the average number of hours for a day in the same way as the rest of his leave calculation.

Employee E works alternate weeks of 2 and 3 days. That means the average working week is 2.5 days. You need to round this to the nearest whole number of days for the purposes of calculation – 0.5 of a day should be rounded down not up, so in our example E is regarded as working for 2 days per week.

3.9 If I don't want to buy, then how does banking work?

You can put aside up to 2 weeks of your leave each year (ensuring you do not fall below the minimum 20 days by doing so) and hold it in a bank. Two weeks annual leave equates to 2 times your normal weekly hours. Up to the same amount may also be banked in a second year. The banked leave must always be taken by the end of the third year.

For example:

In three years time, F plans to take a long holiday in Australia, which would require more than his normal leave entitlement. So, F decides to bank 6 days from year one and 4 days from year two, and plans to "spend" the extra fortnight's holiday in year three for the Australia trip.

G knows that they can't afford to go away on many holidays this coming year because of other financial commitments. Rather than take the annual leave and spend it at home or even stay at work and lose it, G decides to bank some of it and take it next year instead.

3.10 Can I buy, sell and bank whenever I like?

You must complete and submit the request to buy or sell two months in advance of the start of the leave year (i.e. by 31 January to give 1 clear months' notice of an arrangement to start on 1 April). You should also agree to bank in the same time-scale, although as no money is involved your manager will not need to inform payroll. You will not be able to do so at any other time of the year, so this is a scheme where you must plan in advance.

Information on how to opt to buy and sell is included briefly in this guide and in more detail in a document for managers which will explain how they should complete and

submit the relevant paperwork. If you decide to go ahead your manager will explain in detail what you need to do.

If you are a new employee and are not employed in time to meet the January deadline, you have one extra opportunity to buy up to 5 days, or sell up to 2 days, for the period October to March only. See your manager for details and make the choice by the end of July. Existing employees will not be able to take advantage of this mid-year option which is only for new employees.

3.11 Can my manager block me from buying or selling or banking leave?

The arrangements must be discussed with your manager, who authorises the changes. The normal considerations about handling workload, not having everyone on holiday at the same time and authorising leave days in advance still apply.

However, this is more likely to affect when you take leave rather than whether you buy or sell it. If you plan to bank leave in order to take a particularly long holiday in a couple of years, then it is prudent to check with your manager about the time you plan to take this holiday before you start banking it. As the decisions are made to the same timescale and in advance of the leave year, the manager has some opportunity to plan how to accommodate the net increase or decrease in leave days over the section.

There may in extreme cases be an operational reason why the manager cannot authorise sale, purchase or banking of leave but these are expected to be the exception and not the rule.

3.12 What if I change my mind?

These options are part of a Salary sacrifice scheme to give you more control over your annual salary and benefits, once committed to an option for the year; you cannot change your mind. You have chosen your personal entitlement, and it is fixed at that level for the year.

The days you sell or bank cannot be reacquired and whatever your amended leave entitlement for the year, it must be taken by the end of the leave year.

Carryover rules still apply and have been extended to allow you to take forward up to 10 days (pro rata) into the next year. If you leave part way through the year, your final pay will be adjusted to account for the proportion of leave you have accrued and taken in the usual way.

3.13 What if my hours or pay change midway through the year?

Changes to your hourly rate will be picked up automatically, as the Payroll will be set up to recover an appropriate percentage of what you earn. However, if you change the number of days per week you work, you will need to contact HR to adjust the payment basis to the right percentage. You will be advised on how the change to your basic leave entitlement and your bought or sold or banked days will be applied.

3.14 What if I go on maternity leave?

If you have already opted to buy additional leave you will still be required to pay for these days even though you may be on maternity leave during the year.

Clearly, the amount that you will need to pay over the year will be the total of twelve-monthly deductions at the rate set at 1st April. However, when your maternity pay begins your monthly deductions will automatically be amended to reflect your temporary reduction in salary.

During your statutory maternity and no pay period of maternity leave your deductions will cease completely. On return from work, however, you will be required make up any balance in one single payment to cover the total amount owed. (If you are still on maternity leave at the end of your leave year, the normal carry over maximum of days will still apply, so you would be advised to plan your leave accordingly).

If you have already opted to sell leave you will, of course, still be paid for the days you have sold even though you may commence maternity leave during the year. Clearly, the amount due to you over the year will be the total of the twelve-monthly payments at the rate set at 1st April. However, when your maternity pay begins the payments made to you will automatically be amended to reflect your temporary reduction in salary. During your no pay period of maternity leave payment to you will cease completely. On return from work, however, we will make a single payment to you to make up the balance covering the total amount due.

3.15 If I decide I want to do this, what's my next step?

Speak to your Manager to discuss your intentions. Once that is done, to apply to buy or sell annual leave you must complete the online form by 31 January 2026. You should submit the form online which will generate a copy to be sent to you, and also to your manager.

3.16 Will HR confirm receipt of the form?

If you receive the automatic email from the system, your annual leave request has been submitted and you do not need to check with HR that it has been received.

Due to the volume of requests, HR will be unable to confirm whether individual requests have been received.

3.17 Will iWork@BFC update automatically?

Yes, once the data is uploaded to the iWork@BFC system, your annual leave balance will be updated. Please note, this upload cannot be done until the start of the new annual leave year, therefore it will not show until the first week in April.

Please check your pay slip in April to ensure the details are as you expected.