

Frequently Asked Questions

Annual leave payments – inclusion of overtime

Why are we making corrective payments?

The NHS Terms and Conditions of Service Handbook states that when you take annual leave you should be paid as if you are at work. Following a recent Court of appeal decision, NHS Employers have agreed that the calculation of pay during annual leave should include regularly worked overtime/excess hours.

What is the corrective pay period?

The agreement provides for corrective payments covering the financial years 2019/20 and 2020/21 only. An eligible employee may receive a corrective payment for one or both of the financial years.

Who is eligible to receive a corrective payment?

To be eligible for a payment colleagues must be employed by NHSBT on 31 March 2021 and have received payments in respect of overtime/excess hours in a minimum of four months out of the 12 months in each financial year.

Why use an eligibility criteria?

Overtime/excess hours should have been worked with sufficient regularity for it to count towards holiday pay. For the purposes of this corrective payment exercise NHS Employers and the trade unions have agreed that four months in each financial year is an appropriate threshold for establishing regularity of overtime/excess hours.

Will part-time colleagues be entitled to a corrective payment?

Yes, part-time colleagues who have regularly worked more than their contracted part-time hours for at least four months in each financial year will receive a corrective payment.

Does this agreement apply to contractual overtime?

If you receive contractual overtime you will already have been paid this during your periods of annual leave therefore this contractual overtime will not be included in this corrective payment exercise. If in addition to contractual overtime you have worked additional overtime which meets the eligibility criteria, then this will be included in this exercise.

Why is the multiplier set at 16%?

The 16% multiplier has been agreed to reflect a combination of the period of time that overtime was not included in annual leave pay calculations. This multiplier is intended to appropriately compensate eligible staff. However, it is only being used for the purposes of the corrective payment.

How and when will the corrective payment be paid?

The corrective payments will be paid in September 2021 as a non-consolidated and non-pensionable compensatory payment.

Will the corrective payments be subject to tax and National Insurance?

Yes, the corrective payments will be subject to tax and national insurance deductions

Under the corrective payment exercise, will overtime worked prior to 1st April 2019 be included?

No. The NHS Staff Council have agreed in partnership that the corrective payments will only apply for the specific period 1st April 2019 to 31st March 2021.

What do colleagues do if they believe they are eligible and have not received a payment?

All colleagues affected by this corrective payment exercise will receive a personal letter. If you do not receive a letter and you feel you meet all the eligibility criteria please discuss the issue with your line manager and if appropriate raise a query with HR Direct.

I am a bank worker, will my hours be included?

No.

If you are employed on a bank contract your annual leave is not covered under your terms and conditions of employment. You will therefore be paid an allowance for your annual leave. This will be equivalent to the Working Time Directive (WTD) allowance and will be a percentage of 12.5% added to your pay.

Is unsocial hours pay included in this agreement?

No, pay for working unsocial hours is already included in the calculation of AfC absence pay. This agreement includes all pay for regularly worked overtime or excess hours.

Would colleagues on band 8a and above be eligible to receive this pay if they have worked additional standard hours during the period below?

Yes, if part time colleagues worked additional hours (and their contract was not changed) then they would be included.

Would those who retire and return or who left and return be eligible if they meet the criteria below?

If retire and return met the criteria i.e. employed on 31st March 2021 then yes they will be automatically included. If colleagues have retired and returned, then the system won't automatically be able to tally up the old and new assignment so these colleagues will need to raise a query with HR Direct and pay support will amalgamate the two records and see if they are eligible.

Would Pay Support write to these groups too or do they need to do anything extra?

Part time colleagues in 8a and above will be written to as standard but if the retire and return affects the eligibility criteria e.g. meaning that 4 months of overtime not done in each year for each assignment then they won't be picked up automatically and won't get a letter. If a Retire and return case is identified via the query and the corrective payment due then a letter will be issued once this has been calculated.