



Holidays Act Considerations for the Christmas and New Year's Period

Labour weekend sees the start of a period of months that contain several public holidays. It's also a time when many staff want to enjoy a holiday from work and take some leave. As this holiday season approaches, it's essential for employers to plan and prepare for the complexities of managing leave, and the public holidays during the Christmas and New Year period. With many businesses choosing to have a regular closedown over this time too, understanding the relevant requirements under the Holidays Act 2003 is crucial. Here's what employers need to know to navigate this period smoothly, avoid common pitfalls, and ensure compliance with employment legislation.

Preparing for Closedowns: Key Steps for Employers

If you plan to have a regular closedown over the Christmas and New Year period, the Holidays Act sets out specific steps you must follow:

- **Notice Period:** Employers must provide at least 14 days' notice of a closedown period. It's a good idea to provide this notice in writing, specifying the dates of the closedown.
- **Annual Leave During Closedowns:** Employers can require staff to take annual leave during a closedown, where the employee has accrued annual leave, or annual leave entitlement, and at least 14 days' notice has been provided by the employer of the closedown. If an employee doesn't

have sufficient annual leave, employers can agree to the employee taking leave in advance or have the employee take leave without pay during this time.

- **New Employees:** For employees who haven't yet become entitled to annual leave at the start of the closedown, the employer must pay them 8% of their gross earnings as at the closedown date. There are some specific requirements and criteria regarding these payments, such as when the payment is made, depending on what is in the employee's employment agreement. A new employee could also agree with their employer to take some annual holidays in advance, in which case their anniversary date, for when their next annual leave entitlement would be due, would then be moved to 12 months after either the date the closedown starts or another day around that time that the employer chooses. Please do not hesitate to [contact me](#) about this, if you have any questions.

Managing Public Holidays During the Festive Season

With Christmas Day, Boxing Day, New Year's Day, and the day after New Year's Day being public holidays, employers must handle these dates carefully:

- **Pay for Public Holidays:** If employees would have otherwise worked on the public holiday, they are entitled to a paid day off. If they work on the public holiday, they should be paid time and a half and receive a day in lieu (alternative holiday).
- **Closedown and Public Holidays:** During a closedown, public holidays are not counted as annual leave. For example, if the business is closed on Christmas Day and it falls within the closedown period, employees should be paid for the public

holiday, and it should not be deducted from their annual leave balance.

Handling Leave Changes: Sickness or Bereavement During Annual Leave

Unforeseen situations can arise when an employee is on annual leave:

- **Sickness or Injury During Leave:** If an employee becomes sick or injured while on annual leave, they can request that the period of illness be treated as sick leave rather than annual leave. Employers should have a clear policy on what proof may be required (e.g., a medical certificate).
- **Bereavement Leave:** Similarly, if an employee suffers a bereavement while on annual leave, they are entitled to switch to bereavement leave for the relevant days.

Common Issues and How to Avoid Them

1. **Unclear Communication:** One of the most frequent issues is a lack of clear communication around closedown periods, booking leave, and expectations. To avoid confusion, employers should clearly communicate the closedown or leave planning details well in advance. Do you have a guide or policy for staff that includes details about applying for leave and closedowns? [Reach out](#) if you would like assistance with reviewing or implementing a suitable policy.
2. **Inaccurate Leave Records:** Keeping accurate leave records is crucial. Mismanagement of leave records and balances can lead to disputes over entitlements, and even a potential requirement to reinstate leave that may have previously been taken but not recorded. So, do ensure that you have a process

for employee approval of leave requested and taken, your systems record the necessary details, and that details are up to date.

- 3. Disputes Over Public Holidays:** Disagreements can occur if an employee believes they are entitled to a public holiday payment or a day in lieu when they are not. Clear, transparent policies and practices, aligned with the Holidays Act, can help manage these expectations. Although, at times it can be difficult to determine what should be provided or paid. Please do not hesitate to [let us know](#) if you have any questions about a specific scenario.

Why It's Important to Address Leave Plans as early as October

You may be wondering why we're talking about the upcoming Christmas and New Year's holiday season at the end of October. Addressing these matters early allows employers time to plan and communicate with their staff effectively. This advanced preparation helps avoid last-minute issues or misunderstandings during the busy holiday period, ensuring a smooth transition into the new year. It also allows time for any necessary adjustments to be made to rosters, payroll systems, and communication plans, to avoid compliance issues and potential disputes.

Added Value for Employers: Practical Tips for a Stress-Free Holiday Period

- **Review Employment Agreements:** Ensure employment agreements are up-to-date and include clear and accurate terms around closedowns, public holidays, and leave entitlements.

- **Check Payroll Systems:** Test your payroll system to ensure it can correctly calculate entitlements during closedowns or other periods of leave, as well as handle changes in leave types.
- **Policies and Procedures:** Ensure you have detailed policies and procedures and that discussing these, and assisting staff to fully understand them, is a part of your onboarding process and ongoing communication plan.
- **Consult with an Expert:** If you're unsure about your obligations or whether the documentation you have in place is accurate, consult with [me](#), so that together, we can ensure your closedown and holiday management complies with the latest legislation.

By taking these proactive steps, employers can ensure a stress-free holiday period, maintain positive employee relations, and comply with Holidays Act requirements. This preparation sets the stage for a smooth transition into the new year, with both employers and employees feeling well-informed and valued.

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