

How to calculate the cost of purchasing additional annual leave

Example calculations of salary sacrifice for Purchase of Additional Annual Leave Scheme			
	Example 1	Example 2	Example 3
	Works 37 hours per week or 7.4 hours per day Birthday 1 st January Purchase of 10 days annual leave Hourly Rate = £10.33	Works 21 hours per week (3 days x 7 hours) Birthday 31 st March Purchase of 4 days leave (max 6 days) Hourly rate = £11.19	Works 23 hours per week (4 days x M (5 hours), Tus (5 hrs), W (6 hrs), Thu (7 hrs) Birthday 22 th December Purchase of 4 days leave (max 8 days) Hourly rate = £22.12
Calculate the number of hours leave you wish to purchase	10 (days) x 7.4 (hours) = 74 hours	4 (days) x 7 (hours) = 28 hours	2 Tus x 5 hours = 10 hours 2 Wed x 6 hours = 12 hours Total hours = 22 hours
Calculate the cost of the leave by multiplying the number of hours by the hourly rate	74 hours x £10.33 (Hourly Rate) = £764.42	28 hours x £11.19 (Hourly Rate) = £313.32	22 hours x 22.12 (Hourly Rate) = £ 486.64
Calculate number of months remaining to recover total cost	Application submitted 2 nd January 12 months available to recover costs	Application submitted 1 st July 9 months available to recover costs	Application submitted 5 th Feb 11 months available to recover costs
Divide total cost of leave by number of months remaining in leave year to get monthly deduction from pay	£764.42 ÷ 12 = £63.70	£ 313.32 ÷ 9 = £34.81	£486.64 ÷ 11 = £44.24
Individuals Leave to be credited with relevant number of authorised/approved leave days	10	4	4