

Agreed framework published on overtime payments and pay during annual leave

The Welsh Partnership Forum has agreed a framework to enable Health Boards and NHS Trusts in Wales to correctly interpret the calculation of annual leave pay.

The NHS terms and conditions of service (paragraph 13.9) state that when you take holiday, it should be paid as if you are at work.

'Pay during annual leave will include regularly paid supplements, including any recruitment and retention premia, payments for work outside normal hours and high cost area supplements. Pay is calculated on the basis of what the individual would have received had he/she been at work.'

This has not historically included regularly worked overtime but following recent case law, employers now agree this should include overtime.

The national discussions that have taken place clarify how NHS employers should interpret section 13.9 of the NHS terms and conditions of service. It is now accepted that employers should include regularly worked overtime and additional standard hours in the calculation of pay when staff are on annual leave.

It has been agreed that a corrective payment based on the last 2 ½ years of overtime worked will be made to NHS Wales staff. This corrective payment will be based on overtime worked during the period 1st October 2018 – 31st March 2021. The corrective payment will be paid at a rate of 13% of all overtime and additional hours payments received during this period.

All eligible employees will receive the corrective payment in their August pay. Further details and a set of FAQs are in development, so as to provide further clarity on the detail and process for payments being made.

There are complexities with delivering a technical solution within ESR to enable the application of ongoing payments i.e. from 1st April 2021. Employers and trade union partners are discussing the specific arrangements for making the ongoing payments from 1st April 2021 and further communications will be issued as we work through this process.