Setting up Holiday Pay in IQX

Holiday Pay entitlement is **calculated** for PAYE candidates from the Temp's timesheet history. The calculations are re-calculated every time the Holiday Pay script is looked at, either on the person form or in a report. Therefore reports should be run and saved every week. It is not a system where a fixed amount is created for each timesheet.

It is based on HMRC guidelines for workers of irregular hours, where hours and pay may vary. **It is not based on a fixed percentage of weekly pay.** This means that – if holiday has been taken which is less than a full week, it is possible for the percentage to be worse than 5.6/(52-5.6) as average pay will drop if less than full days are worked in a week.

In the Holiday Pay calculations wizard it can be possible to manually overwrite the Average Pay amount, if desired, unless the Agency is set to prevent more than the Pay in Lieu amount.

By default only the timesheets up to the end of the previous week are included, but there is a setup switch to include all timesheets up to the period of calculation.

Depending on the rules set in your system, the Temp’s holiday year is either calculated from a standard date (eg 1st January) or from the anniversary of the start of their most recent period of employment with your agency. Employment Periods are automatically created by a first timesheet, or manually in the Person - Employment Period view by a User with Accounts rights.

Holiday pay is expressed in weeks, not days, because a working week is not necessarily 5 days long. The standard weeks that can be earned in a year are in the setup – currently 5.6 weeks, including bank holidays.

If the working week is 5 days a week, a holiday week will be 5 days so **1 day will be 0.2** of a week. If the working week is 3 days then a holiday week will be 3 days so 1 day will be .33 of a week. The average days worked per week in the last 12 weeks is shown. From April 2020 Legislation changes will mean the average days must be in past 52 weeks

In Maintenance, Temps Setup, Pay Bands – only qualifying Pay Bands should be ticked to be ‘Included in Holiday Pay Calculation’. Each week the total of the qualifying Pay Bands is used for the calculation.

If Extra Holiday is entitled due to AWR qualification, then the amount in the AWR role is used as follows:

(Holiday Weeks + AWR Extra) / (52 weeks – (Holiday Weeks + AWR Extra))

So for 1.2 extra weeks (5.6 + 1.2) / (52 - (5.6 + 1.2))

Setup Holiday Pay

Temps Setup – Holiday Pay Settings. Set with IQX Support assistance.

Help Scheme Fixed Annual Date Calculation Version 5.1 WPK

Name	Value	Notes
Holiday Calculation in Hours	N	Only available in Accord linked systems
Weeks holiday earned in year > Mar 09	5.6	
Extra Holidays are Total not Extra	Y	If Y Extra Holidays (AWR and Vacancy) are total holidays
Payroll Numbers are Required	N	If Y Holiday Pay is not calculated for temps without Payroll
Weeks worked calculation method	1	0 - (default) all weeks since holiday start date, 1 - only count ...
Set Cap on weeks holiday earned?	N	This ensures that the temp cannot earn more than a full year'...
Annual Cleardown?	Y	Y - for annual cleardown - ie holiday not carried forward, N - f...
Holiday Year Start	2011-01-01	Leave blank for anniversary method. Date MUST be entered i...
Assumption for standard hours per week	35.00	Only applies if method 2 (standard hours based) is used. Will ...
Include current week in holiday pay calcul...	N	Requires Calculation Version 2.01 or higher

Name	**Value**	**Notes**
Holiday Calculation in Hours	N	Also requires the Hourly scheme if Holiday entitlement to be calculated in hours
Weeks holiday earned in year	5.6	Includes both Statutory Holiday (4 weeks) and Bank holidays (8 days or 1.6 weeks) in week form.
Weeks worked calculation method	1	0 – ALL weeks since holiday start date, includes weeks without timesheets. 1 – Only weeks with qualifying timesheets. 2 - based on standard hours per vacancy question. Requires custom scheme.
Set Cap on weeks holiday earned?	N	This ensures that the temp cannot earn more than a full year's holiday allocation in a given year. Do NOT use with calculation method 0 above.
Annual Cleardown?	Y	Y - for annual cleardown - i.e. holiday not carried forward, N - for holiday to carry forward indefinitely. Only carried forward with anniversary method.
Holiday Year Start	2011-04-01	Leave blank for anniversary method. Date MUST be entered in format YYYY-MM-DD. A year must be entered, but only the day and month are used in the calculation.
Assumption for standard hours per week	35.00	Only applies if method 2 (standard hours based) is used. Will be overridden by any setting on vacancy.
Include Current week in holiday pay calc	Y	Will include timesheets in current week in the calculation, rather than up to previous week.

Temps Setup – Holiday Years for Fixed Anniversary Date.
Because the exact day of a holiday end might be partway through a week Holiday Years should be set up to ensure end of year holiday pay is processed in the correct week.
Find the first week that holiday pay can be earned in:

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Description	First Week To Earn	Last Week To Earn	First Week To Pay	Last Week To Pay	Notes
2016	201502	201601	201541	201640	
2017	201602	201701	201641	201740	
2018	201702	201801	201741	201840	
2019	201802	201901	201841	201940	
2020	201902	202001	201941	202040	
2021	202002	202101	202041	202140	
2022	202102	202201	202141	202240	

To create a Holiday Pay Timesheet see Holiday Pay Timesheet

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