Calculating holiday pay

You must be paid the same amount when you’re on holiday (annual leave) as you’re paid when you’re at work – whatever your working pattern.

You can use the holiday entitlement calculator on GOV.UK to work out how much holiday you should get.

Your calculation can be based on:

- days or hours worked per week
- casual or irregular hours
- annualised hours – where you work a certain number of hours across the year but have some flexibility around which hours
- compressed hours – working full-time hours over fewer days
- shifts

2. Fixed hours

If your working hours do not vary (part time or full time) your pay will be calculated using your usual pay rate.

Shift or rota work

If you work shifts (part time or full time) and have set hours and pay, your holiday pay should be the same as this set pay.

If you do not have fixed or regular hours or your pay is not always the same, your holiday should be calculated on the average number of hours you worked at your average hourly rate in the previous 12 weeks.

If any of the 12 weeks are completely unpaid (no pay at all), an earlier week should be used for calculating in its place. If you get a small amount of pay for the week it should still be included in the 12-week average.

No fixed hours

If you do casual work with no normal hours, for example on a zero-hours contract, your holiday pay will be based on the average pay you got over the previous 12 weeks.
These should be weeks in which you were paid. If you were not paid in one of those 12 weeks (because you did not work), the last paid week before that should be used to calculate your holiday pay.

**Rolled-up holiday pay**

You must get your holiday pay when you take your annual leave. If your employer is spreading your holiday pay over the year by adding an amount on top of your hourly rate, this is known as ‘rolled-up’ holiday pay and your employer should not do this.

**Overtime, commission and bonus**

If you regularly get paid overtime, commission or bonuses, your employer must include these payments in at least 4 weeks of your paid holiday.

Some employers might include overtime, commission and bonus payments in your full 5.6 weeks' paid leave entitlement, but they do not have to. This is because judges in holiday pay cases use the EU Working Time Directive, which is 4 weeks' leave. The UK Working Time Regulations is 5.6 weeks.

**Leave that’s less than 1 full day**

If you have part of a day's leave to take, for example 0.8 of a day, your employer might:

- let you leave work early or come in late one day
- round it up to the nearest full day (it cannot be rounded down)

**If you think your holiday pay should be different**

If you think you're not getting as much paid holiday as you’re entitled to or are not sure how it's being calculated, you should talk with your employer.

You could also check your contract or written terms of employment.

Remember, if you believe your holiday pay is incorrect, you have 3 months less 1 day from the date you received the last incorrect payment to take your claim to an employment tribunal. So it's a good idea to talk to your employer as soon as possible.

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