Alliant Global Services

Global Knowledge Center

Ireland - Statutory Annual Leave Guide

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Statutory Annual Leaves

The <u>Organization of Working Time Act, 1997</u> is the key legislation governing statutory Annual Leave provisions, which are detailed below.

Collective agreements or an agreement between the employer and the employee may provide for more employee-favorable provisions.

Annual leave entitlement

Per Section 19 Sub-section 1 of the Organization of Working Time Act of the All employees, regardless of working hours or the type of employment contract are entitled to paid annual leave. Annual leave entitlement, set out in the <u>Organization of Working Time Act. 1997</u>, depends on how much time the employee has worked in a leave year - a statutory leave year runs from 1 April through 31 March. Annual leave is calculated by one of the following methods:

- 4 working weeks in a leave year in which the employee works at least 1,365 hours;
- One-third of a working week per calendar month that the employee works at least 117 hours;
- 8% of the hours an employee worked in the leave year, subject to a maximum of 4 working weeks.

If more than one of the preceding methods is applicable in the period of annual leave of the employee, the annual leave to which the employee would be entitled would be equal to whichever of those periods is the greater.

Employees working part-time are entitled to a prorated annual leave based on their weekly working hours.

If an employee works for 8 months or more for their employer in a leave year, their annual leave must include 2 consecutive weeks. (Section 19 Sub-section 3 of the Organization of Working Time Act)

Payment during annual leave

Annual leave must be paid to the employee in advance of them taking the leave. The payment amount corresponds to the employee's base weekly salary. If the employee's pay differs from week-to-week due to overtime, commission, or bonuses, then the employee's payment would be averaged over 13 weeks prior to taking the leave.

Employees working part-time are entitled an Annual Leave equal to 8% of the hours worked in the leave year, subject to a maximum of 4 working weeks.

The Annual Leave entitlement of employees who work full-time for some months and part-time for the rest of the year is to be calculated separately.

Accrual rules

The rate of annual leave accrual is calculated by one of the following methods:

- 4 working weeks in a leave year in which the employee works at least 1,365 hours;
- One-third of a working week per calendar month that the employee works at least 117 hours;
- 8% of the hours an employee worked in the leave year, subject to a maximum of 4 working weeks.

Effective 1 August 2015, under Section 86 of the <u>Workplace Relations Act 2015</u>, statutory annual leave entitlement can be accrued when an employee is on sick leave if the employee provides a medical certificate including all the days they were ill.

Annual leave is not affected by other types of statutory leave such as maternity leave, paternity leave, adoptive leave, parental leave, force majeure leave, and the first 13 weeks of carer's leave. In other words, employees continue to accrue Annual Leave entitlements during the above-mentioned statutory leaves.

Drawing on the leave

An employer is free to set the dates when the employee takes their annual leave, considering:

- the employee's need to reconcile work and any family responsibilities,
- the opportunities for rest and recreation available to the employee

An employer cannot impose annual leave dates without the employee's agreement, nor force an employee to take unpaid leave.

Requesting the leave

The employee must submit their request for annual leave at least 1 month in advance.

Minimum leave period

The annual leave of an employee who works 8 or more months in a leave year must, subject to the provisions of any employment regulation order, registered employment agreement, collective agreement or any agreement between the employee and their employer, include a continuous period of 2 weeks. (The Workplace Relations Act 2015, Article 19 para. 3)

Carryover rules

In principle, annual leave cannot be carried over from one leave year to another. However, with an agreement between the employer and employee, annual leave can be carried over, but must be taken within 6 months of the following leave year.

Employees who fell ill and could not take annual leave during the applicable leave year, are entitled to carry over unused annual leave days, which must then be drawn over the 15-month after the leave year. (Workplace Relations Act 2015)

Company agreements may provide for more flexibility in terms of annual leave carryover rules.

Unused annual leave

The employee cannot give up annual leave days to which they are entitled unless the employment agreement is terminated (see below).

Illness during annual leave

If an employee falls ill during their annual leave, they must inform their employer and provide the employer a medical certificate from their doctor as soon as they return to work. The days covered by a medical certificate are then no longer considered as annual leave days, and the employee's statutory entitlement to annual leave continues to accrue while they are sick provided the days are covered by a medical certificate. (Workplace Relations Act 2015)

The employee and the employer must then mutually agree on a new annual leave period.

Annual leave upon termination

In the event of a termination of the employment agreement, the employer must pay an employee any unused annual leave entitlement. Some employers may offer leave in lieu of notice. However, this sort of arrangement is not covered by legislation, therefore this should be in agreement between the employee and employer.

Medical appointments during working time

The Organization of Working Time Act does not provide for paid time away from work for medical appointments.

Working during annual leave

The Organization of Working Time Act does not include provisions pertaining to working during annual leaves.

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Employee entitlements during Annual Leave

During their Annual Leave days an employee shall be regarded as having worked the hours they would have worked on those days had it not been a day of annual leave. (The Workplace Relations Act 2015, Article 19 para. 5)

Annual leave Bonus

The Organization of Working Time Act, 1997 does not mandate an annual leave bonus.

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