

# HR & OD POLICIES

human resources and organisational development



## Annualised Hours Managers Guidance

## INDEX

APPLICATION	3
CALCULATING HOURS	3
MONITORING	4
RECORDING NON-WORKING PERIODS	5
ENHANCED RATES	5
ALLOWANCES	6
UNPAID LEAVE	6
LEAVING PART WAY THROUGH A YEAR	6
ANNUALISED HOURS – PROCESS MAP	8

Annualised hours is a way of adding up working hours over a year rather than a week. Employees with an annualised hours arrangement work a longer day (or week) when the service is busy and a shorter day (or week) when there is less demand, but are paid the same amount each month.

## 1. APPLICATION

Employees can make a request to work an annualised hours pattern through the Worksmart Policy . It will be up to the Service to determine the suitability of annualised hours in accordance with the duties of the post and the type of service provided. This type of work would suit, for example, seasonal posts where the service provided is in more demand in the summer months rather than winter.

It is very important that you ensure this is the appropriate form of working and that careful consideration is taken in determining the hours that require to be worked. It is important that regular monitoring is undertaken of the arrangement in order to minimise the likelihood of a surplus or deficit of hours arising towards the end of the year. If regular additional hours are being authorised then a review must be undertaken to consider the suitability of the annualised hours contract.

Further information can be found within the [Worksmart Policy](#) or please contact a member of HR&OD for further guidance on dealing with a request.

## 2. CALCULATING HOURS

The line manager and employee must discuss how hours are to be worked e.g. to meet seasonal or service/customer demands and/or the opportunity to modify working patterns to suit the personal circumstances of the employee (subject to service requirements).

If the Service agrees to the adoption of annualised hours for an employee it will be necessary to determine the total number of hours to be worked over the year including holiday entitlement. The [Annualised Hours Toolkit](#) can be used to calculate this figure and provide guidance on completion of the EMIS employee form.

The annualised hours period must always run from January to December. If the employee commences this working arrangement part way through a year then the hours and annual leave must be pro-rated accordingly up to 31 December (these figures can be calculated using the above Toolkit).

### 3. MONITORING

For annualised hours to be effectively managed, the following information must be recorded and monitored by the line manager:

- The total contracted hours in that year
- Total hours worked
- Total hours remaining
- Leave taken and due in the leave year
- Any paid special leave taken
- Periods of sickness absence

The annualised hours function on Bodet should be used to record this information. The Service's Bodet Administrator must therefore be informed of the annualised hours arrangement in order that the employee can be set up.

The line manager should also ensure that the employee possesses a Council email address and has access to a computer in order to be able to record their working times and submit annual leave requests via Bodet. Where a computer is not available, it will be necessary to ensure that the employee manually records the above information for inputting into Bodet by the appropriate administrator.

The information recorded on Bodet must be regularly monitored by the line manager in order to review the effectiveness of the work pattern with service demands and to ensure the employee is not working more or less than agreed. This information will also be required if the employee leaves or wishes to terminate the annualised hours scheme before the end of the year as this may require an adjustment to their pay.

If the employee does not work the full contracted hours in the year, these hours can be carried forward into the next year. This would be by agreement with Line Management and would need to be worked as soon as possible.

If the employee works their total annualized hours before the end of the year, they do not have to work additional hours, however it is hoped that the employee would continue to be flexible if the Service requested. Any additional hours worked would have to be in agreement with the employee. Please note that annual leave is not accrued for any additional hours worked.

## 4. RECORDING NON-WORKING PERIODS

When an employee is on holiday, off sick or on paid special leave this should be recorded on the Bodet system.

The hours allocated to such periods will either reflect the employee's actual working pattern, where one exists, or be based on an average daily figure. Services are responsible for determining which method best reflects the working pattern being utilised.

The [Annualised Hours Toolkit](#) can be used to determine the average daily figure.

When requesting holidays, the employee should submit their request via Bodet by identifying the days they wish to take as leave and inputting the total number of hours that would have been worked on those days.

If an employee has been off sick or on paid special leave, the Bodet administrator should be advised by the employee's line manager of the number of hours that should be allocated against the period of absence.

## 5. ENHANCED RATES

Overtime rates are payable when an employee works in excess of the annual overtime threshold of 1,931 hours. In circumstances where an employee exhausts their annualised hours, any additional hours worked will be paid at plain time until they reach the overtime threshold i.e. 1,931 hours, at which point they will be entitled to time plus one half for all hours worked.

Where an employee is appointed part way through a calendar year it will be necessary to pro rate the annual overtime threshold of 1931 hours to determine when overtime enhancements would be payable during the initial calendar year. This is illustrated in the following example.

## EXAMPLE: CALCULATING OVERTIME THRESHOLD FOR PART YEARS

An employee is appointed as of 1 August to work 1,500 hours per annum (including holidays). Accordingly, there are 22 weeks left within the calendar year.

The total hours to be worked during the initial part year will be 635 hours [1500 hours x (22/52 weeks)].

The overtime threshold for this initial part year will be: 817 hours [1931 hours x (22 weeks/52 weeks)].

If the employee was to work in excess of 817 hours during that initial part year, these hours would attract an overtime enhancement.

With regard to other enhanced rates e.g. weekend or night working allowances, if an employee is required to work during a period that attracts an enhanced rate they will be entitled to claim the appropriate enhancement. It should be noted that where an employee chooses to work during such periods and this has not been identified as a service requirement, they will not be entitled to claim the enhancement.

The line manager should utilise the information held on Bodet to ensure that the above guidance is appropriately applied.

## 6. ALLOWANCES

The employee will receive sick pay and other pay related benefits based on their average contractual hours.

## 7. UNPAID LEAVE

Any request to take unpaid leave must be made by the employee through the Council's Special Leave Policy and will be subject to the specific conditions detailed therein.

## 8. LEAVING PART WAY THROUGH A YEAR

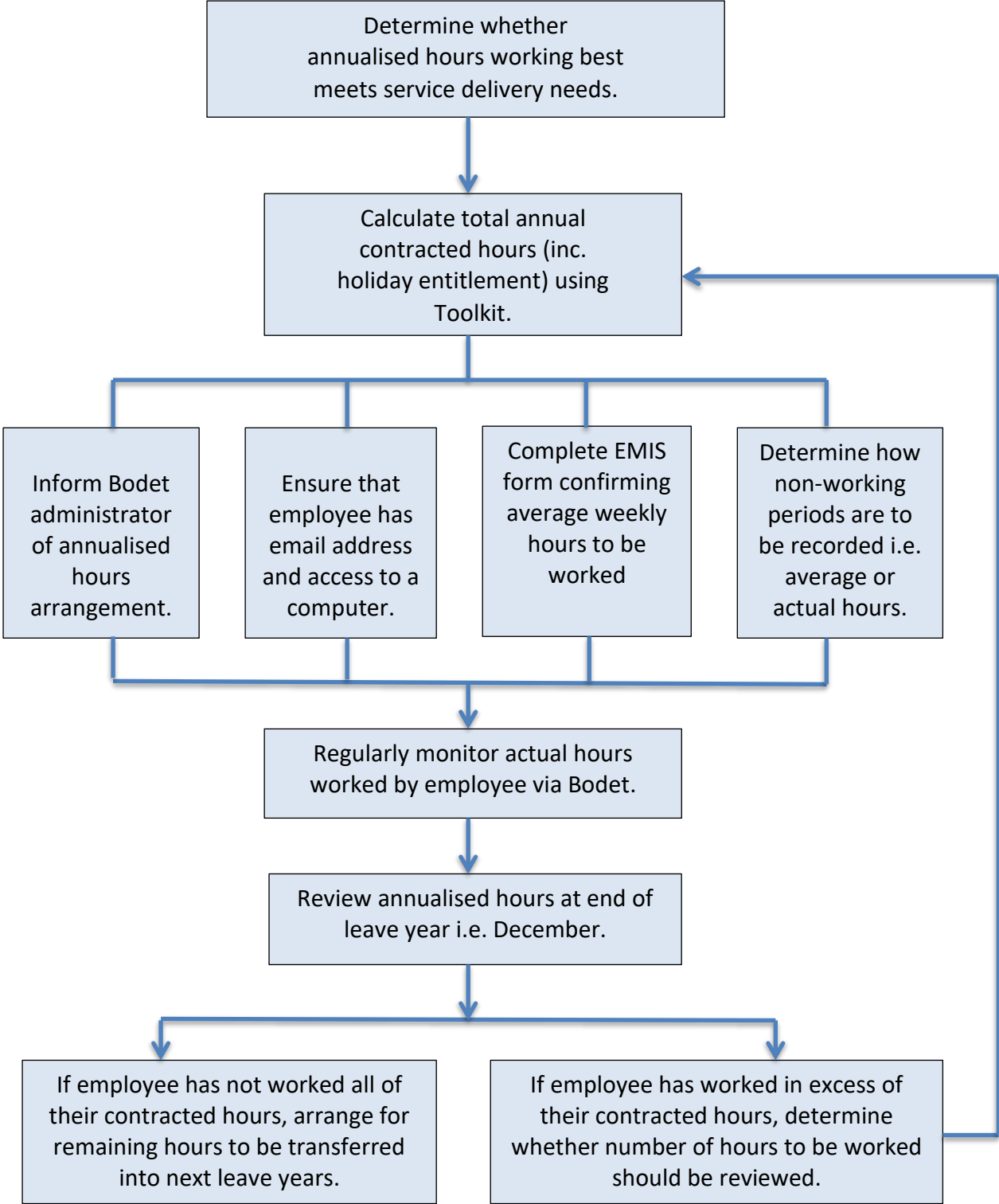
If the employee leaves part way through a year, it will be necessary to identify whether the employee has a surplus or deficit of working hours and leave as at the date of termination. This information will be accessible via Bodet and any

surplus/deficit should be recorded on the employee's EMIS Employee Form in order that the necessary adjustments can be made to their final pay.

It should be noted that an employee leaving part-way through a year will not be entitled to any overtime payments, regardless of the number of hours worked.

For further advice and guidance on any of the above please contact Human Resources and Organisational Development.

# 9. ANNUALISED HOURS – PROCESS MAP





# Annualised Hours Managers Guidance Index of Documents

## Guidance

<b>Revision Date</b>	<b>Previous Revision Date</b>	<b>Summary of Changes</b>
31-01-2012		Creation of all Documents
27-06-2013	31-01-2012	Highlighting ineligibility of shift allowance
04-04-2014	27-06-2013	Updated to reflect changes in T&C's for LG and Craft Employees
10-07-2014	04-04-2014	Format update