

Press Release

No Pay in Lieu of Holiday!

A surprisingly large number of people do not claim their annual leave/holiday. Some employers pay them extra wages in lieu of this but the European Court has now heavily stamped down on this practice.

Claire Bell, a Director in Actons Solicitors says:-

Case law in Scotland had already banned this practice but in the rest of the UK it was legal. A group of shift workers who demanded the right to payment during holidays instead of notional extra hourly pay took their case to the European Court of Justice. The workers won as the current system was held to be in breach of the EU Working Time Directive. The court said: "The entitlement of every worker to paid annual leave is an important principle of community social law from which there can be no derogation [exception]. Holiday pay is intended to enable the worker actually to take the leave to which he is entitled."

The construction, education and manufacturing sectors where shift work and short-term contracts are popular are likely to be affected the most. If you would like advice on how this may affect you then contact us for further information.

For further information on all Employment Matters, please call Claire Bell on 0115 9 100 200 or email enquiries@actons.co.uk

Ends: June 2006

Notes

1. Brendan Barber, Trades Union Congress general secretary, welcomed the ruling as a way of ensuring rogue bosses don't cheat staff out of holiday but lawyers warned businesses now face an "administrative nightmare" in reorganising their employee remuneration arrangements.

LawNet is a network of British and Irish law firms who pool their resources and expertise in order to improve the service provided to clients and build business opportunities.

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2. "This ruling will harm temporary workers instead of help them," said Anne Fairweather, from the Recruitment Employers Confederation. "It is another example of nanny-state policies. Previous rulings in Scotland have lead to complaints from temps that they have difficulty in planning their holidays especially when they work for more than one agency."

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