



**Circular 0082/2017**

**To: The Presidents of the Institutes of Technology**

**Revised Payment Mechanism for Hourly-Paid Staff with effect from 1<sup>st</sup> January 2018**

**Cessation of “Rolled-up Holiday Pay”**

**Purpose of Circular:**

1. The purpose of this Circular is to inform relevant hourly-paid staff and Institutes of Technology of the changes to the pay arrangements for hourly-paid staff with effect from 1st January 2018.
2. The hourly rates paid to hourly-paid staff have heretofore included an element in respect of annual leave. This practice is known as “rolled-up holiday pay”. The effect of this Circular is to cease the practice of paying “rolled-up holiday pay” to such staff and to introduce a separate payment in respect of holiday pay. This change is being made to bring the method of remunerating such staff into line with the European Union Working Time Directive, following a decision of the European Commission.
3. It is important to note that the overall remuneration of such staff is not being changed as a result of this Circular. The pay of a staff member under the new arrangements set out in this Circular in respect of any period of employment will be equal to the pay which the staff member would have received for the corresponding period of employment under the pre-existing arrangements.

**Changes for Hourly-Paid Staff who currently receive “Rolled-up Holiday Pay”**

4. The changes are summarised as follows:
  - (i) Where hourly-paid staff currently receive “rolled-up holiday pay”, with effect from 1st January 2018, 8% will be removed from the current hourly rate. This represents the staff member’s statutory annual leave entitlement. The staff member will accumulate statutory annual leave to the value of 8% of time worked.
  - (ii) The Organisation of Working Time Act provides that the times at which annual leave is granted to an employee shall be determined by his or her employer. Therefore, staff will take and be paid their accumulated statutory annual leave entitlement during the closure periods at Christmas, summer and at other particular leave times dependent on the employee’s employment contract and the employer’s discretion as follows:

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- During the Christmas closure period, staff will take the statutory annual leave which they have accumulated since the commencement of the academic year and will be paid for such leave;
  - During the summer closure period, staff will take the statutory annual leave which they have accumulated since the end of the Christmas closure period and will be paid for such leave.
  - At other particular times dependent on the employee's employment contract and the employer's discretion, staff will take the statutory annual leave which they have accumulated up to the point when they take annual leave and will be paid for such leave.
- (iii) The base hourly rate includes payment for all of the staff member's working time apart from the staff member's statutory annual leave.
- (iv) These revised arrangements will be implemented with effect from 1st January 2018.

#### **Circulation and Queries**

5. Please ensure that the content of this Circular is brought to the attention of all relevant staff in your employment including those on leave of absence.
6. This Circular can be accessed on the Department's website under <http://www.education.ie> .
7. Queries in relation to this Circular should be addressed to the staff member's employer.

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