

5 October 2023

HMRC confirms roll-out of 'selling Annual Leave'

Following a trial in January 2023, HMRC have announced the full-blown launch of a scheme which invites members to 'sell' some of their annual leave back to the department

Following on from the trial that HMRC ran in January 2023 that allowed staff to sell annual leave, the department will shortly be announcing that they will be introducing an annual process for staff to be able to participate in once a year, should they wish to do so.

Annual process

For 2023/24 the annual leave sell window will open on 11 October and close on 31 October; any staff that decide to sell leave will receive payment for this in November pay.

There will be no option for staff to either buy additional annual leave or to buy back any leave that they sell.

Staff will still be legally required to take their statutory leave and therefore are able to sell a maximum of 5 days annual leave or pro rata equivalent.

Concerns raised by PCS

As soon as the trial was raised with PCS back in January 2023, we raised some very serious concerns.

PCS made the observation on a number of occasions during that most limited of consultation periods, that the timing of this trial appeared incredibly cynical, given the current cost of living crisis. We have continued to raise these concerns since January and throughout the limited consultation that has taken place around the regularising of this scheme. Many members of staff are facing severe financial difficulties, due to the skyrocketing cost of living; and against the

backdrop of the government refusing to offer public sector workers a decent pay increase.

With incidences of PCS members across the civil service relying on food banks, it's clear to us that although management claim that selling leave designed for rest and recuperation is optional, the reality will be that some members will feel that they have no choice in the matter.

PCS feel that this is a cynical way to paper over even more cracks in an under resourced department that wants to squeeze even more out of already over worked staff.

We believe that this is further underlined by HMRC not considering any similar scheme that enables staff to buy additional annual leave.

In short, PCS believe that the routine selling of annual leave will lead to poorer-paid members of staff feeling they have no choice but to work for longer than their better-paid colleagues.

Although some other departments, such as the Department for Work and Pensions (DWP), have the option to sell annual leave, the DWP model is based around selling leave in circumstances where (for example) there has not been the opportunity to take the leave.

Important considerations

Although all requests for payment must be voluntary; it must be applied for prior to the closing date of 31 October; so timing-wise, the HMRC proposal has a completely different impact to that of the DWP scheme, with HMRC members being asked to make the decision whether or not to sell leave towards the beginning of the leave year, with (and this is critical) *no possibility of buying that leave back*. If you take payment for this leave now but decide later in the year that you would like to take additional time off, there will be no mechanism for you to pay back the money and reclaim the annual leave.

As all HMRC annual leave years now renew in September, anyone taking up this offer needs to be mindful that we are just under a year away from the annual leave renewal date.

DWP does not have a common start/end to the Leave Year, so although the DWP scheme is not dependent on when your leave year ends, there'll be many DWP members nearer to the end of their Leave Year, minimising any potential negative

impact of selling the leave.

Obviously, payment will be made at the plain time hourly rate and will be subject to both Income Tax and National Insurance in the usual way.

Speak to your union

It's important that you don't rush into decisions like this. If you have any concerns about these proposals, or wish to discuss any of its implications, then please don't hesitate to get in touch with your branch, who can collate any questions, and we can raise them with the department. PCS will also be engaging with the department, regarding the evaluation of the earlier trial.

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