

# Annual leave and Pay

## Answer:

Annual leave must be paid at full pay for staff on furlough.

This is calculated by taking an average of the previous 52 weeks earnings. This includes compulsory overtime, commission and bonuses. It can exclude discretionary bonus and commission but you should take advice before excluding those sums.

It can therefore be expensive to have an employee on annual leave (particularly as the employer needs to top up by 20%, however by paying it you are reducing your company's liability for later in the year.

If your company can not afford the liability at this time, the annual leave can be carried over for 2 years.

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