
10th December 2014

IMPLEMENTATION OF THE EAT DECISION ON HOLIDAY PAY

At a special meeting of the NJC Finance and General Purposes Committee (F&GPC) yesterday, the implementation of the EAT decision on holiday pay was discussed.

The issues concerning back pay and future treatment of holiday pay were considered without agreement being reached.

The F&GPC was informed that the ECIA has advised its member companies as follows:

“Commencing Monday 5th January 2015 onwards, employers need to comply with the EAT judgement and calculate euro-leave holiday pay on the basis of “normal pay” averaged over the twelve weeks preceding the leave, not basic pay based solely on 38 hours at plain time. For NAECI workers this will need to include overtime (as NAECI 7.4a contains an obligation to work overtime) and the taxed elements of radius allowance and, in the case of lodging employees, their periodic weekend leave travel time payments.

The EAT judgement applies only to the 20 days of leave derived from the E.U. Working Time Directive (the euro-leave) and not the entirety of the 33 days leave entitlement within NAECI. Members may continue to calculate holiday pay for those 13 days, over and above the euro-leave days, using basic pay and contracted hours, in the way they have been doing previously. The EAT judgement confirmed that it was for the employer to label the 20 days of euro-leave.

After much discussion in a number of the Association’s forums, it was concluded that it would not be equitable to deal with the issue of claims for back pay on a national/industry basis.”

The NECC is communicating with its union membership separately.