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1.0 Summary

All employees receive paid annual leave as set out in their contract of employment. The buying and selling of annual leave scheme offers employees the flexibility to alter that entitlement, either by:

- Buying up to a one week of additional annual leave (this is your weekly contracted hours)
- Selling up to one week of their existing entitlement (this is your weekly contracted hours)

At the beginning of each year, employees are presented with the opportunity to apply for buying or selling of annual leave for the following financial year, application dates exemplified in the table below:

Financial leave year	When to apply
April 2026 -March 2027	Between January 1 st – 31 st 2026
April 2027 -March 2028	Between January 1 st – 31 st 2027
April 2028 -March 2029	Between January 1 st – 31 st 2028

The scheme arrangements are totally discretionary – employees do not have a contractual right to buy or sell leave. The employees line manager must authorise the application to buy or sell annual leave, stating if they support, part support or do not support the request. The decision of the Care Group Director/ Associate Chief Operating Officers/ Head of Service takes precedence over the line managers decision linked to the criteria stipulated in Section 6.0

Employees need to consider their choices as **once an application has been made to buy or sell annual leave for the year; employees cannot change their mind.** The buying of annual leave falls under a salary sacrifice arrangement. Please review the 'Salary Sacrifice FAQ's' for more information on salary sacrifice schemes (Appendix 2)

There is no right of appeal for unsuccessful applications.

1.1 Cooling-off period

There is a 14-day cooling off period after the scheme deadline of 31st January 2026, whereby you can cancel your application to buy/ sell annual leave, this must be done by **15th February**. After this period, it will be considered that you are in the scheme and only a lifestyle change will be permitted reason to cancel. More details on opting out can be found in the Salary Sacrifice FAQ's (Appendix 2)

2.0 Eligibility

This scheme is open to all **permanent** employees of York and Scarborough Teaching Hospital NHS Foundation Trust & York Teaching Hospitals Facilities Management (LLP).

Participation requires the employee to have completed their probationary period.

3.0 Buying Annual Leave

The principles for buying annual leave are:

- The opportunity to buy additional annual leave will only arise once a year.
- All applications must be received by the allocated person for each care group/service by the **13th February**. Please refer to the process stipulated in Section 5.0.
- Once the application has been approved employees cannot change their mind and are committed to the change for the leave year.
- Employees can buy up to an equivalent of one of their contractual working weeks.
- A week relates to the exact number of hours they are contracted to work per week.
- When an employee buys annual leave, their salary will be reduced by the additional number of hours purchased, this figure will be calculated on the employees' individual basic salary. This is classed as a variation to their terms and conditions of employment. Specifically, that they agree to reduce their gross salary.
- The buying of annual leave falls under a salary sacrifice arrangement. Please review the salary sacrifice FAQs for more information on salary sacrifice schemes in appendix 2.
- Holiday is not a taxable benefit, so there is no income tax or national insurance (NI) payable in the value of the days bought. Please refer to Section 8 for further details.
- The cost of the annual leave will be spread over the year in 12 monthly instalments.

- If an employee has bought holidays and cannot use them before the end of the leave year, they cannot sell them back and receive a salary in lieu of the benefit.
- Any additional annual leave bought will be managed as per the Trust's Annual Leave Policy (e.g. the manager must approve when leave can be taken).
- **All authorised applications will not be finalised until** all payroll checks have been completed; this will consider any other salary sacrifices you may have.
- Please note that eligibility for **buying annual leave is not guaranteed** and will be subject to financial eligibility criteria governed by the national minimum wage at the time of processing.

4.0 Selling of Annual Leave

Employees need to be aware that under the Working Time Regulations Act 1998, employers are required by law to ensure that adequate time off is taken by individuals. It is important therefore that employees do not deprive themselves of annual leave, which would result in a detrimental impact on health. Managers will be responsible for monitoring leave of staff and sickness levels to ensure that these do not increase.

Employees are legally entitled to 5.6 weeks' paid holiday a year (equivalent to 28 days) known as statutory leave entitlement or annual leave. The entitlement for part-time workers is calculated on a pro-rata basis. No employee will be allowed to sell holiday which would mean that the total holiday taken in any one year would be less than the statutory entitlement.

The principles for selling annual leave are:

- The opportunity to sell annual leave will only arise once a year.
- All applications must be received by the allocated person for each care group/service by the **13th February**. Please refer to the process stipulated in Section 5.0.
- Once the application has been approved staff cannot change their mind and are committed to the change for the leave year.
- Staff can sell up to an equivalent of one of their contractual working weeks.

- A week relates to the exact number of hours they are contracted to work per week.
- When an employee sells annual leave, their salary will be increased by the number of hours sold, this figure will be calculated on the employees' basic salary. The additional salary will be subject to tax and NI in the normal way.
- If an employee has sold holidays and run out before the end of the year, they cannot buy back any extra days.
- The payment for the annual leave will be spread over the year in 12 monthly instalments.

5.0 Process for Buying & Selling Annual Leave

The opportunity to buy and sell annual leave will only arise once a year.

The employee is responsible for ensuring the application form follows the below process and meets the following deadlines:

- Application form to be completed by the employee and handed to the line manager by **31st January**
- Line manager completes section three of the application form and forwards to the allocated person for their area/ care group by **13th February**

To apply to buy or sell annual leave the following process **must** be followed (summarised in Appendix 3):

Step 1: Discuss the desired option with your line manager. Medical staff should ensure that they agree with their line manager which annual leave year their request to buy or sell leave relates to, bearing in mind the information within Section 9.0.

Step 2: Complete the buying and selling annual leave application form available on Staff Benefits website or in Appendix 1.

Step 3: Email/ forward the form to your line manager by **31st January** for them to complete their part of the form which asks them to indicate their support for the request, linked to the criteria stipulated in Section 5.

Step 4: Check your line manager has forwarded your application form to the allocated person for your area/ care group by 13th February.

Important information:

- Complete application process by the **31st January**. To ensure consistency of application this includes sending non-supported requests.

- Any applications received after the **31st of January** will **not** be processed.
- The Care Group Director / Associate Chief Operating Officers /Head of Service will make the final decision on whether to accept or reject an application linked to criteria stipulated in Section 6.0. Decisions will be based on the criteria set out in this guidance and with consideration to whether the service can accommodate the request without it having a detrimental impact on the service.
- It is the responsibility of the Care Group Director / Associate Chief Operating Officers /Head of Service to inform the line manager if the employee's application has been approved or declined.
- It is the responsibility of the line manager to inform the employee of the outcome of their application – individuals will **not** be notified by the Staff Benefits Department unless their application is impacted by National Living Wage requirements or other salary sacrifices.
- For successful applications, Staff Benefits department will inform payroll to make the appropriate adjustments to the employee's salary.
- For successful applications it is the responsibility of the employee and the line manager to check e-roster and amend annual leave records accordingly.
- At the end of the leave year the employees' holiday entitlement will revert to the normal contractual amount.
- Employees will not find out the outcome of their application until payroll checks have been completed, Staff Benefits will notify the Allocated Persons of outcomes in April, this information will be cascaded down to line managers to communicate to employees directly.
- It is the employee's responsibility to check their April wage slip and ensure the correct amount is being deducted/ paid (see section 7.0 for calculator). Staff Benefits must be notified immediately of any errors.

6.0 Criteria and Considerations for Buying & Selling Annual Leave

All requests for buying and/or selling annual leave will be given full consideration by the line manager and Care Group Director / Associate Chief Operating Officers /Head of Service. The aim is to allow employees as much flexibility as possible whilst operating within the needs of service delivery. However, in deciding, the following factors **must** be considered:

6.1 Buying Leave

Considerations are detailed below:

- If cover is needed for the employee – ensure it is cost neutral.
- Assess if employees selling leave can offset any of the costs incurred in employees buying leave.
- Assess if there can be a pairing agreement linked to people buying and selling for cover arrangements.
- Ensure the additional leave does not result in a waiting list initiative or overtime.

There should be no detriment to service provision. Considerations are detailed below:

- Ensure there is no loss of clinical activity unless a planned reduction has been formally approved in the Care Group/Service.
- Assess if additional leave can be taken in non-clinical time.
- Ensure there will be no detriment to work objectives and meeting key targets.

Unless there are exceptional circumstances employees should not be able to buy extra leave if they have already carried over leave from the previous year. More information can be found in the Trust's Leave, Career Break & Sabbatical Policy. However, if the employee has carried over less than one working week, they can buy the difference up to a working week.

If a manager does not feel that they can support an employees' full request, then they may consider suggesting a proportion they would feel able to accommodate. For example, if two employees request to buy 37.5 hours each, but the service could only accommodate a maximum **combined total** of 37.5 hours additional leave, the manager may suggest that each receives 18.75 hours. If an employee's application is declined or lesser hours offered, the line manager must give the rationale for their decision on the application form.

The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the Care Group Director / Associate Chief Operating Officers / Head of Service (subject to payroll checks)

6.2 Selling Leave

Considerations are detailed below:

- Assess if there is sufficient funding to buy.
- Assess if there is a balance of employees buying annual leave which can offset the costs.

- If there is not a sufficient match on the above – assess if the cost can be covered within the Care group/service budget and is not an excessive amount.
- Assess if the cost can be offset by reduced temporary staff spend (e.g., overtime, agency) and/or increased productivity.

In certain circumstances employees will be able to sell annual leave if they have already been given permission to carry over leave from the previous year. More information can be found in the Trust's Leave, Career Break & Sabbatical Policy.

If a manager does not feel that they can support an employees' full request, then they may consider suggesting a proportion they would feel able to accommodate. For example, if two employees request to sell 37.5 hours each, but the service could only accommodate a maximum **combined total** of 37.5 hours, the manager may suggest that each employee is able to sell 18.75 hours. If an employee's application is declined or lesser hours offered, the line manager must give the rationale for their decision on the application form.

The final decision regarding whether any requests (or a proportion of these) are approved or declined sits with the Care Group Director / Associate Chief Operating Officers/ Head of Service.

7.0 Calculating the Value of a Day's Holiday

If an employee is selling holiday, then the employee will receive additional pay for the additional holidays. If the employee is buying holiday, then the employee will lose pay for the additional holidays bought.

The calculation of a day's leave is detailed below:

Annual salary \div 52.143 \div contracted hours per week = hourly rate

Hourly rate \times normal hours per day = days' pay

The calculation for medical staff on PAs is detailed below:

Annual salary \div 52.143 \div normal PAs per week = 1 PA pay

1 PA rate \times normal PAs per day = days' pay

8.0 Salary Sacrifice

When employees **buy** annual leave, this is processed in line with salary sacrifice processes. Salary sacrifice is a tax efficient way of receiving staff benefits. Essentially, the employee gives up part of their taxable salary in return for another benefit (e.g. extra holiday).

Because the employee sacrifices gross salary it means the tax, national insurance contributions and pension contributions (if applicable) that are usually applied are reduced. However, all these deductions are dependent upon the amount the employee earns.

Below is a simple example using fictitious rates to demonstrate how the salary sacrifice works for the buying of annual leave. The example shows that a £500 salary sacrifice only costs the employee £302.80

Salary Sacrifice – 1 weeks holiday		
£500 Reduction on Annual Salary in Majority of Employees		£500
Less	Pension Contribution (9.3%)	-£46.50
Less	National Insurance (12%)	-£60.00
Less	Tax (20%)	-£90.70
Cost to employee		£302.80

Because an employee's gross pay is reduced as part of a salary sacrifice scheme there may be a resulting impact on other schemes and benefits such as the pension scheme and statutory maternity pay.

Employees **must** ensure that they read the attached 'Salary Sacrifice FAQ's' document at Appendix 2 to fully understand the potential implications prior to making any application under this scheme.

Further specific advice can be sought from Payroll 01904 725199 and the Trust's Pension Specialist 01904 725196 or 01723 342242.

9.0 Medical Staff

Medical staff need to be aware that a full week for the purposes of buying and selling annual leave is classed as the PA's they are contracted to which includes any additional PA's (e.g., on-call). An example of this would be a consultant who is contracted to work 12 PA's per week and wishes to buy 1 week's annual leave – they would lose pay of 12 PA's.

Although the annual leave year for medical staff starts from the date of their anniversary the monies will still be deducted or paid over the same annual leave

year as staff on Agenda for Change terms and conditions. For example: 1st April to 31st March in 12 monthly instalments.

Whilst the individual can request which annual leave year they wish to buy or sell annual leave from; it is the responsibility of the Clinical Director and Associate Chief Operating Officers when authorising the purchase of additional leave or the selling of leave to agree with the individual which annual leave year this relates to. This in part will depend on when the individuals annual leave year commences and service provision.

10.0 General Guidance & Advice

All amended annual leave entitlements will be managed as per the Trust's Leave, Career Break & Sabbatical Policy.

If an individual terminates their employment mid-year, payroll is to be informed of the outstanding/overtaken annual leave via termination (HR3) form. Payroll then make the normal month's salary sacrifice deduction in the terminating month and take the remainder of the outstanding monetary value as a net deduction.

For example:

An individual buys 37.5 hours x hourly rate £10.00 equalling £375.00

This is then divided over a twelve-month period (Sal Sac value) equalling £31.25 deducted per month.

If the individual, then leaves in the November of the financial year there is the usual £31.25 salary sacrifice value plus 4 x 31.25 (£125.00) as a net deduction on their final payslip.

11.0 Roles and Responsibilities

Employee Responsibilities

- To read and fully understand the scheme guidance (including the salary sacrifice guidance at Appendix 2) prior to applying.
- To ensure that **all** fields in Section 1 and 2 of the application form are completed correctly, missing fields and illegible data will not be processed
- To give application to line manager by **31st January**
- To ensure their application has been forwarded by the line manager to the allocated person before 13th February.
- To check their April wage slip to ensure the correct amount is being paid/ deducted and report any errors to Staff Benefits as soon as possible.
- To follow up application with line manager by the **30th April** if no communication has been received regarding the application outcome.

- If moving care group/dept between the 31st of January and the 31st of March, it is the employee's responsibility to discuss this application with their new line manager and gain their authorisation.

Line Managers Responsibilities

- To communicate with all staff, the closing date of scheme to ensure timely applications.
- To check Section 1 and 2 of the application form (completed by the employee) for accuracy and completeness. For example, that the correct Care Group has been selected, and that the employee has completed all fields.
- To complete Section 3 of the application form, indicating whether they support the employee's application or not, considering the criteria detailed within the guidance.
- If an application is not fully supported, to discuss this with the employee as soon as they are able.
- Forward the application to the Care Group Allocated Person by **13th February**.
- Once decisions have been made and cascaded to them by their Care Group Director/ Associate Chief Operating Officers / Head of Service, to communicate these decisions to all their employees who applied. This includes providing the rationale for any declined requests.
- To ensure that the appropriate adjustments are made to the employee's annual leave entitlement for any approved applications and a copy off application added to the personal file of the employee.
- Any leaver's mid-year are flagged to payroll using a HR3 form.
- If you have any staff that have moved into your line management between 31st of January and the 31st of March it is your responsibility to ensure any applications for this scheme are checked and processed in accordance with the correct processes.
- To communicate the outcome of your employee's application once received by the allocated person

Care Group Director / Associate Chief Operating Officers /Head of Service Responsibly

- To allocate a point of contact person for all applications within the Care Group/service/YTHFM and inform the Staff Benefits Team (yhs-tr.staffbenefits@nhs.net) when requested and to ensure that the point of contact person collates all applications and completes the spreadsheet provided by the Staff Benefits department.
- To communicate **Allocated Point** of contact details to all line managers.
- To review application spreadsheet for their Care Group/ Service and make the final decision regarding whether these will be approved or declined, considering the criteria detailed within the guidance.

- Where an application is declined or alternative hours offered; to make the employee's line manager aware so this can be communicated to the employee
- To ensure that the allocated person sends all applications and completed spreadsheet to the Staff Benefits team in line with the defined timescales to allow for the appropriate adjustments to be made with payroll.
- To ensure that decisions are cascaded to the relevant line managers, along with a rationale for any declined requests. Line managers then have the responsibility for informing their staff of these outcomes.

Staff Benefits Team Responsibilities

- To promote, communicate and raise awareness of the scheme through appropriate channels.
- To receive all completed spreadsheets from allocated persons.
- To provide a spreadsheet to each Care Group Director/ Associate Chief Operating Officers / Head of Service/YTHFM allocated point of contact person with the relevant spreadsheet for completion.
- To inform payroll of the details of any approved applications for the appropriate adjustments to be made to their salary.

Allocated Persons Responsibilities

- To collate all applications and complete spreadsheet as per guidance.
- To ensure all fields in section 1.0 are completed by employee, applications with missing information should not be accepted and returned to employee for completion.
- To ensure Care Group Director / Associate Chief Operating Officers/ Heads of Service/ YTHFM reviews all via spreadsheet
- To ensure that the Care Group Director/ Associate Chief Operating Officers / Head of Service/ YTHFM authorises all applications on spreadsheet via an email.
- To send spreadsheet and completed application forms to Staff Benefits in the specified timeline.
- To send an email to the line managers within the care group/ service stating the outcomes of the employee's applications so that can be communicated to the employee.

Appendix 1 (see next page)

Buying and Selling of Annual Leave application form

An editable version of the application form is available to download off the Staff Benefits Website:

www.yorkhospitals.nhs.uk/buy-sell-annual-leave

Buying and Selling of Annual Leave Scheme

Application Form 2026

Important Information:

- The below application form is for buying or selling annual leave for financial year **April 2026 - March 2027**.
- This scheme follows **strict deadlines** (highlighted in red throughout this form), it is the **applicant's responsibility** to ensure this form is submitted within deadlines stated, late applications will not be processed.
- Please ensure all the information requested below is completed and legible, incomplete/ illegible forms **will not** be processed.

Sections 1 and 2 must be completed and submitted to your line manager no later than 31st January 2026

SECTION ONE: To be completed by employee			
Full name:			
Job Title:			Band:
NHS email: Must end in @nhs.net*			Phone number:
*If you do not have an @nhs.net email please contact your line manager or IT			
Assignment number: 8-digit number found on your wage slip			Weekly contracted hours of employment:
Department:			Site:
Care Group*:			
*If you are unsure on your Care Group, please ask your line manager or refer to the scheme guidance			
Request to buy annual leave (please complete the below)			
I would like to buy _____ hours of annual leave You can request to buy a maximum of your contracted weekly hours. (E.g. someone contracted to work 20 hours a week can request to buy a maximum of 20 hours)			
By completing the above, you confirm agreement to the following statements:			
<ul style="list-style-type: none"> I accept my request to purchase annual leave is subject to Payroll checks, taking National Living Wage requirements and other salary sacrifices into consideration. As a result of these checks, I may be offered lesser hours or have my request declined, irrespective of whether it has managers support or not. On approval of request to buy annual leave, I authorise a variation in my contract of employment in that there will be a reduction in my gross annual salary in return for a non-cash benefit of additional annual leave and that the deduction would be made over a 12-month period. 			
Why are you requesting to buy annual leave? (Place an X next to at least ONE option from below)			
<input type="checkbox"/>	Celebrate special occasion (e.g. a wedding, honeymoon, milestone birthday)		
<input type="checkbox"/>	Spend more time with family		
<input type="checkbox"/>	Travelling (UK or abroad)		
<input type="checkbox"/>	Childcare		
<input type="checkbox"/>	Carer/ Supporting Others		

	<i>Support own health and wellbeing</i>
	<i>Other (please state):</i>
Request to sell annual leave (please complete below)	
I would like to sell _____ hours of my annual leave entitlement <small>You can request to sell a maximum of your contracted weekly hours. (E.g. someone contracted to work 20 hours a week can request to sell a maximum of 20 hours).</small>	
By completing the above, you confirm agreement to the following statement:	
<ul style="list-style-type: none"> ▪ On approval I will forgo this amount of leave from my annual leave entitlement and that the Trust will make payment in consideration of the loss of leave. This payment will be made over a 12-month period. 	
Why are you requesting to sell annual leave? (Place an X next to at least ONE option from below)	
	<i>I do not require my full leave entitlement</i>
	<i>I prefer the money</i>
	<i>I am unable to take all my annual leave in the year</i>
	<i>Other (please state):</i>
SECTION TWO: To be completed by employee	
Salary Sacrifice – Important Information	
<p>The new national NHS pension scheme is now based on career average earnings, rather than final salary. Your participation in a salary sacrifice scheme may affect your NHS pension, as salary sacrifice reduces the basic salary that your pension is based on. The Trust and its officers cannot give pension advice. You are strongly advised to consider the impact of the reduced salary due to salary sacrifice and seek independent financial advice if you are unsure about the potential impact. Further information can be obtained from: www.nhsbsa.nhs.uk www.gov.uk/government/collections/nhs-pensions</p>	
<p>When entering a Salary Sacrifice scheme your employer cannot legally allow your pay to reduce below the National Living Wage. You will not be able to take part in this scheme if your hourly rate on 1st April reduces your pay below the National Living Wage after deductions are taken. This will consider any other Salary Sacrifice schemes you have in place. Please note there is no 'opt out' of the National Living Wage.</p>	
Which statement below applies to you? (Mark with an X)	
	<i>I have taken independent advice regarding the impact of the salary sacrifice on my pension.</i>
	<i>I have chosen not to take independent advice regarding the impact of the salary sacrifice on my pension.</i>
	<i>I am not in the pension scheme.</i>
	<i>Not applicable - I am selling annual leave.</i>
Terms and Conditions:	
<p>I confirm that:</p> <ul style="list-style-type: none"> ▪ I have read and understood the information stated in this form. ▪ I have read and understand the buying and selling of annual leave 2026 -2027 guidance which can be obtained from: www.york.nhs.uk/buy-sell-annual-leave ▪ I understand that the Trust cannot provide financial advice, and that I should get independent financial advice if I am unsure about how salary sacrifice may affect me financially. ▪ I understand it is my responsibility to ensure this application has been passed to my line manager by 31st January 2026, and follow up with my manager to confirm this form is handed to the allocated person for my area by 13th February 2026 ▪ I authorise any changes to my salary as per choice and approval. 	
Employee Signature:	
Print Name:	
Date:	

Section 3 must be completed by your line manager and sent to the allocated person for your area no later than **13th February 2026**

SECTION 3: To be completed by line manager

*When completing this section please ensure you consider the criteria stipulated in **Section 6 of the Buying & Selling Annual Leave Scheme Guidance**.*

Has the employee carried over any annual leave from the previous year? (Yes or No)	
If yes to the above, how many hours in total will they be carrying over?	

For more information on carrying over annual leave, please refer to the Trusts annual leave policy

Please choose the appropriate option: (Mark with an X)

	Option A: I support this application (pending payroll checks being undertaken)
	Option B: I do not support this application (requires urgent action, please see terms and conditions below)
	Option C: I cannot support the employee's full request. However, I can accommodate a proportion of this request. I would therefore support the application to buy/ sell* (*please delete as appropriate) a total of hours

If you have chosen option B or C, please give a rationale for your decision:

Terms and Conditions:

As the line manager of the applicant, I confirm that:

- It is my responsibility to send this form once completed to the allocated person no later than **13th February 2026**
- In the circumstance I cannot support my employee's application (Option B), I am responsible for communicating my decision to the applicant before submitting this application to the allocated person.
- I understand this application is subject to payroll checks, which may result in the employee being offered lesser hours or having their application declined.
- I understand the decision of the Care Group Manager/ Associate Chief Operating Officers/ Head of Service takes precedence over my decision as the applicant's line manager.
- I will not communicate the outcome of this application to the employee until I have received confirmation from the allocated person (expected between 1st - 28th April)

Managers Signature:

Print Name

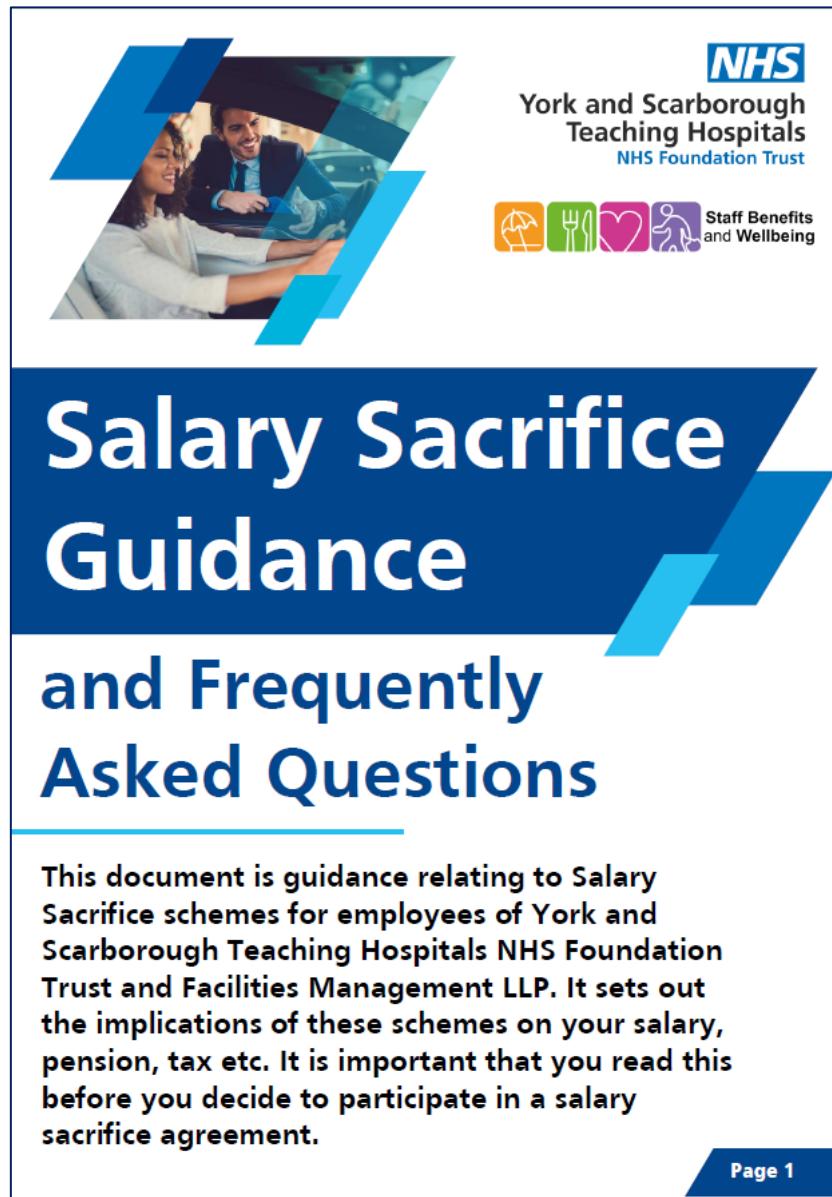
Date

Note for line managers:

- This form must be sent to the allocated person for your area no later than **13th February 2026**. Allocated persons list can be found on the Buying/ Selling of Annual Leave Guidance 25 -26 (available to download from the Staff Benefits website – www.york.nhs.uk/buy-sell-annual-leave)
- Please keep the email you send to the allocated person containing this application.

Appendix 2

Salary Sacrifice Guidance & Frequently Asked Questions



**Salary Sacrifice
Guidance**

**and Frequently
Asked Questions**

This document is guidance relating to Salary Sacrifice schemes for employees of York and Scarborough Teaching Hospitals NHS Foundation Trust and Facilities Management LLP. It sets out the implications of these schemes on your salary, pension, tax etc. It is important that you read this before you decide to participate in a salary sacrifice agreement.

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What is Salary Sacrifice?

Salary sacrifice schemes provide staff with an excellent opportunity to gain a benefit (benefit in kind) whilst making substantial savings by agreeing to 'sacrifice' (or give up) a portion of salary in exchange for a benefit.

When you join a salary sacrifice scheme you sign an agreement to vary your terms and conditions relating to pay. Savings for basic rate taxpayers can be as high as 38% and for higher rate taxpayers as much as 48%. Your savings are made because you pay less PAYE (income tax), National Insurance and Pension contributions.

A good example of this: An employee earning £20,000 per annum joins the Cycle to Work Scheme and orders a bike for £1000. For the next 12 months, the employee agrees to sacrifice that £1000 and therefore effectively earns £19,000 for the next twelve 12 months and therefore pays less tax, NI and pension.

What is 'Benefit in Kind'?

"Benefit in Kind" are benefits that employees receive from their company which aren't included in their salary or wages. Not all benefits in kind are treated in the same way by the tax system. Some aren't taxed, but others are. It's a good idea to consider them as cash equivalents which contribute to your income. There's a wide range of benefits in kind - from company cars to home electric schemes, some of which the Trust offers as part of its Staff Benefits package.

[Continued on next page](#)

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Some benefits don't incur any tax. However, there are complex rules around each type of benefit and a range of circumstances which HMRC will take into account before deciding if you have tax to pay or not. You may hear the words "Taxed at Source" or "P11D", this is the way the Trust can collect the benefits in kind payment from the employee. The Trust takes the Tax payment at source; this method means you pay your benefits in kind payment monthly from your salary. The payments usually start the month after receiving your taxable benefit and end the month after the benefit ceases. This method means you do not receive a P11D form from the Trust and your tax coding is not amended by HMRC.

The benefits that do not have a tax charge are:

- Cycle to Work
- Buying and Selling of Annual Leave

National Minimum Wage

A Salary Sacrifice scheme must not reduce your pay to below the National Living Wage. As a Trust we have made the decision to set our rate slightly higher to future proof against government wage increases over the following three years.

You will not be able to take part in the salary sacrifice scheme if your hourly rate falls below this limit after the salary sacrifice has been deducted. This will take into account any other deductions made from your wage including any existing salary sacrifice's, student loans etc. that you have in place.

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Will participating in a salary sacrifice scheme effect my universal credits?

Possibly, universal credit depends on a number of hours worked, the number of children and whether eligible childcare costs are paid. We strongly suggest that you check this with your local Government Benefits office before applying.

Will salary sacrifice affect mortgage and credit applications?

A reduction in salary might affect general financial matters such as mortgage applications. However, the majority of lenders take into account salary sacrifice arrangements when making decisions.

Will my pension be affected?

If you are a member of the NHS pension scheme, then having a salary sacrifice will reduce your pensionable pay. This means that you will pay less pension contributions from your salary, providing you with a saving on the salary sacrifice amount, but also means that you will accumulate slightly less pension benefits for your retirement while you have the salary sacrifice deductions.

Is there any impact on Student Loans?

Student loan recovery is based on post-sacrifice amounts. Therefore, under salary sacrifice arrangements the amount of student loan repayments will go down.

What happens if I change jobs or leave to go to another Trust?

The Trust will do what it can to support staff in these circumstances and it might be possible to transfer responsibilities under the scheme to another employee or a future employer but this cannot be guaranteed. If it cannot be transferred all monies owed will be taken from your final salary. Please note that moving from the Trust to Facilities Management, or vice-versa, means that you will potentially be treated as a leaver under the rules of the salary sacrifice agreement, and may need to pay any outstanding balances.



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What contract do I need to be eligible for salary sacrifice schemes?

The schemes are open to all employees. However, participation is subject to the National Minimum Wage limit. The Trust sets this slightly higher to future proof over NMW Government increases for the following three weeks.

You must have completed a period of six months working for either the Trust or Facilities Management before you are eligible to participate in any of the schemes. Each scheme is administered separately and gives different opportunities to join. Each scheme has its own participation length which is advised to you in advance.

As the schemes require staff to sacrifice part of their salary in return for a benefit, if you are a bank worker your monthly salary cannot be guaranteed to cover a salary sacrifice therefore you will not be eligible to apply. Staff with fixed term contracts can only participate in the scheme if participation can be completed before the end of the fixed term.

Opting out

Participation in each scheme requires a change to your terms and conditions of service and therefore it is only possible to opt out of the scheme on the renewal dates or due to a life changing event (for example a change to working hours).

[Continued on next page](#)

In these circumstances, the Trust may agree for you to opt out of one or more of the schemes. Any outstanding monies owed will need to be paid.

If in the car lease scheme, the car will need to be returned, and an early termination fee will be required.

Once in any of the schemes, can I change the benefits I have chosen?

As above, if there is a life changing event the Trust will consider a request to change the benefits selected.

[What is a life changing event? Examples include:](#)

A new baby, Adoption, Divorce/ Separation, Death of a partner/ Child, Changes to Childcare arrangements
(This list is not exhaustive)

What happens if I leave voluntarily when I am part way through a salary sacrifice agreement?

On leaving the Trust you will be liable for any and all outstanding salary sacrifice monies still owed, this will be deducted from your final salary payment. If more than your final salary is owed after your final salary deduction, you will be invoiced for the remaining amount.

[Continued on next page](#)

If you have a longer notice period than one month, you can arrange for the money to spread over this period. You will need to check with the salary sacrifice team in this instance on email yhs-tr.fleet.management@nhs.net as to what the impact may be.

If in the car lease scheme, the car will need to be returned, and an early termination fee will be required.

Redundancy

When you take out a salary sacrifice scheme, you are agreeing to vary your contractual terms in respect of basic pay. However, any contractual payments in relation to redundancy including payment in lieu of notice will be based on the higher salary rate (i.e. the rate before the salary sacrifice is applied)

TUPE

If you have a salary sacrifice scheme and you are transferred to another organisation under the TUPE regulations, a discussion will be had with you over the scheme that you are a part of to advise you of the next steps. Benefits programmes are not a contractual right under TUPE and therefore, there is no guarantee that the new employer will take a scheme forward. Usually, the scheme is closed as if you were a leaver from the organisation and all outstanding money will be taken from your final salary.

Retire and return

If you choose to retire and return whilst you have an existing salary sacrifice it will be the same process that would happen if you were to leave the Trust on a permanent basis. All monies owed would be taken from your final salary before you retire.

Death in service benefits

These benefits will also be impacted if you die in pensionable employment during the scheme. The life assurance within the NHS Pension Scheme is paid by a lump sum equal to two years of Pensionable Pay. As your Pensionable Pay will decrease by the amount of the Salary Sacrifice, this may have an effect on your benefits.

Is there a cooling off period?

Cycle to Work Scheme

14 days cooling off period

Buying Annual Leave

14 days cooling off period after 31st January

Home Electronic Scheme

No cooling off period

Fleet Car Scheme

No cooling off period

CPC Car Scheme

No cooling off period

Criteria

The Trust/ LLP reserves the right to reject any application if you are involved in a formal process which may have an impact on your salary or employment status.

More information

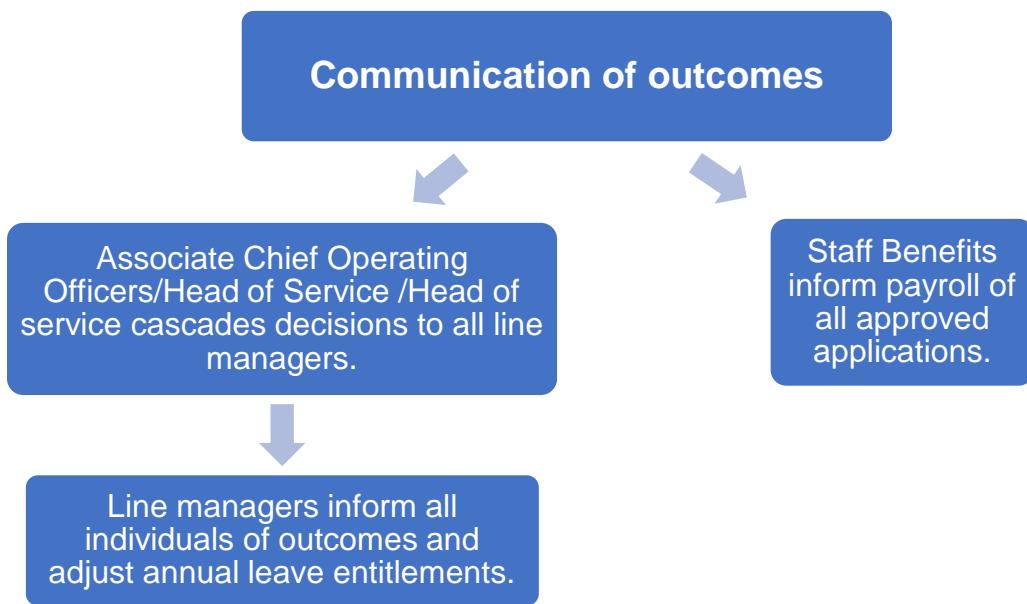
If you require further information, please email yhs-tr.staffbenefits@nhs.net

Appendix 3

Buying and Selling Annual Leave Scheme Process



- Applicant reads the full scheme guidance and completes sections 1 & 2 of the application form and forwards to their line manager **before 31st January 2026**
- Line manager reviews the information detailed in section 1 and ensures that this is factually correct, and all fields are complete.
- Line manager completes section 3 of the application form and indicates whether the application is supported in full or part.
- Line manager forwards application directly to allocated point of contact within the Care Group **before 13th February 2026**
- Allocated point of contact completes spreadsheet provided by Staff Benefits and collates application forms.
- The Associate Chief Operating Officers/Head of Service /Head of Service reviews spreadsheet and makes final decisions on outcomes.
- Allocated Point of Contact updates spreadsheet and sends spreadsheet and all applications to Staff Benefits Team within specified time frame.
- Staff Benefits conduct spreadsheet checks and forward to payroll to complete payroll checks
- Payroll notify Staff Benefits of outcomes, Staff Benefits cascade this information to allocated point of contact, who notify line managers of employees application outcome (around April)
- Line managers discuss outcomes with employees, all queries are directed to Staff Benefits yhs-tr.staffbenefits@nhs.net



Appendix 4

Care Groups

Surgery	Family Health	Cancer, Specialist and Clinical Sciences	Medicine	Corporate	YTHFM
Theatres	Maternity and Obstetrics	Clinical services	Community Services	WOD	LLP
Anaesthesia	Gynaecology	Aseptics	CRT	Finance	
Pain Management	AHP: Pelvic Health	Dispensary Services	Selby	DIS	
Critical Care	Integrated Sexual Health Services	Procurement and Distribution	St Monica's	Corporate Ops	
Perioperative Medicine	HIV Treatment Services	Homecare	Nelsons Court	Medical Director Team	
Prehabilitation	Paediatrics	Clinical Trials	Frailty	CEO and Chair	
Breast Surgery	Neonatology	Governance and QA	Stroke	Chief Nurse Team	
Vascular	Community Child Health	Medicines information and Commissioning	Neurology		
Lower and Upper GI	AHP C&YP: SaLT / Dietetics / OT /Physiotherapy/Dietetics	Cellular Pathology	Palliative		
Urology		Biochemistry	SDEC (Frailty)		
Trauma and Orthopaedics		Laboratory Haematology	Stroke Rehab		
Weight Management		Microbiology	Gastroenterology		
Surgery, Orthopaedic and Critical Care Inpatient Therapy Teams		Radiology	Renal		
Amputee Rehabilitation		Breast Screening and Symptomatic	Hepatology		
MSK		Oncology	Cardiology		
Orthotics		Clinical Haematology	Respiratory		
Ear, Nose and Throat		Cancer CNS	Cardio/Respiratory		
Audiology		SACT	Diabetes/Endocrinology		
Newborn Hearing Screening		OPAT	Elderly		
Maxillofacial Surgery		Endoscopy	Urgent Care		
Plastic Surgery		Rheumatology	Emergency Medicine		
Restorative Dentistry		Dermatology	SDEC (Med)		
Orthodontics		Ophthalmology	Acute Medicine		
Head and Neck Outpatient Speech and Language Therapy		Psychology	Gen Med		
Balance and Vestibular		Outpatients			
		Phlebotomy			
		MES			
		Bronte, Lawrence			
		Sterile Services			
		Mortuary and Bereavement			

Appendix 5 - Allocated Persons List

Care Group	Name	Email
Surgery	Hayley Emmett	hayley.emmett@nhs.net
Family Health	Cleo Glendinning - Child Health Laura Robertshaw & Karen Hind - Women's Health Fiona McHale - Adult Community Nikki Foster - Sexual Health	cleo.glendinning@nhs.net laura.robertshaw5@nhs.net karen.hind1@nhs.net fiona.mchale@nhs.net nikki.foster4@nhs.net
Cancer, Specialist and Clinical Sciences	Katie Brice	katie.brice3@nhs.net
Medicine	Annette Farrington	annette.farrington@nhs.net
Chief Nurse	Caroline Marston	Caroline.marston@nhs.net
Finance	Claire Inch	claire.inch@nhs.net
Corporate Operations	Ruth Render	ruth.render1@nhs.net
Estates & Facilities (LLP)	Nina Wilson	Nina.Wilson5@nhs.net
Chairman & CEO	Cheryl Gaynor	cheryl.gaynor1@nhs.net
Workforce, Workforce Development & Organisational Development. (HR, Resourcing, OH, ODIL, WF Development)	Sue Ashton	susan.ashton10@nhs.net
Digital and Information Service	Lina Snaith	lina.snaith@nhs.net
R & D Senior Nurse team	Paul Brittain	paul.brittain@nhs.net
Medical Governance	Rachael Snelgrove	rachael.snelgrove@nhs.net