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## INCREASED HOLIDAY ENTITLEMENT TO BE POSTPONED UNTIL 2009

The Government has published its response to the recent consultation on proposals to increase the statutory holiday entitlement, indicating its intention to delay the full increase until April 2009. The proposals are intended to fulfil the Government's 2005 election manifesto promise to make the current right to four weeks' paid leave additional to bank holidays.

It was initially proposed that the increase would be effected in two stages, with the entitlement increasing to 4.8 weeks on the 1<sup>st</sup> October 2007, and increasing again to 5.6 weeks on the 1<sup>st</sup> October 2008. However, the Government has indicated that it intends to delay the second increase in the holiday entitlement from the 1<sup>st</sup> October 2008 until 1<sup>st</sup> April 2009. This decision has been taken in response to further consideration of the cost pressures that the increase will entail, in particular for the health and social care sector.

Other changes to the proposals as a result of the consultation include enabling payment in lieu of the initial increase (the additional 0.8 weeks) until the 1<sup>st</sup> April 2009, in order to assist employers with transitional arrangements; and providing an incentive for early compliance with the new rules, whereby employers who already give the equivalent of 28 days holidays on 1<sup>st</sup> October 2007 will be exempted from the Regulations subject to certain conditions.