Holiday Pay Records: What Employers Must Keep

Holiday records need to show not only when leave was taken, but how the entitlement and payment were calculated. Since 6 April 2026, employers in Great Britain must retain adequate annual leave and holiday-pay records for six years from the date they were made.

1. What must the records demonstrate?

An employer should be able to reconstruct each worker's position: their leave year, entitlement, the holiday actually taken, any carry-over, the pay provided and money paid instead of untaken leave on departure. For variable earnings, the record also needs to show which pay elements were included.

Keep a record of	What it helps demonstrate
Worker and holiday-year details	Which entitlement applies, the relevant year dates and any contractual leave above the legal minimum.
Leave taken and carried forward	Dates or hours taken, the balance and the reason and deadline for any carry-over.
Holiday pay calculations	Rate, pay elements included, reference weeks where relevant, and gross holiday payment.
Payments on leaving	Unused entitlement and the method used to calculate the final holiday payment.

2. Why retaining only a holiday balance is not enough

A closing balance tells you what a system says is left; it does not explain how it arrived there. When someone changes hours, earns regular overtime or moves between roles paid at different rates, the history behind the figure is particularly important.

Example A | A contracted working pattern changes

An employee initially works 15 hours a week and later moves to 25 hours. The employer retains the dates of both agreed patterns, the entitlement earned during each period and the hours taken as leave.

Employer response: A reviewer can see why the accrual changed, rather than assuming that the employee worked 25 hours every week of the year.

3. Holiday pay needs its own evidence

For regular-hours workers, holiday pay may need to include normal overtime or other qualifying pay, depending on the relevant part of statutory leave. For irregular-hours and part-year workers, statutory accrual is calculated in each pay period, while holiday pay when taken can require a separate reference-period calculation. The record should show the method used.

Example B | An irregular-hours worker paid monthly

An employee works 80 hours in a monthly pay period. Statutory accrual is 80 × 12.07% = 9.656 hours, rounded to 10 hours for that pay period.

Employer response: Record the 80 worked hours, the raw calculation, the rounded 10-hour credit and any leave subsequently deducted. Keep pay-rate evidence separately.

4. How long should employers retain records?

Record type	Practical retention point
Statutory holiday entitlement and holiday-pay records	Keep for at least six years from the date each record was made.
PAYE payroll records	HMRC generally requires records to be kept for three years from the end of the relevant tax year.
Sensitive absence or medical records	Apply the appropriate lawful retention policy and limit access; the six-year holiday rule does not mean every medical document should be held indiscriminately.

Electronic records are acceptable, provided they are adequate, retrievable and maintained securely. If a timesheet or payment is corrected, preserve an audit trail of what changed and why.

5. Three avoidable record-keeping problems

- Keeping only the amount of leave outstanding without the calculation history.
- Losing the pay evidence used to calculate holiday for someone with variable earnings.
- Overwriting earlier contracted hours when working patterns change.

How Assyst helps employers maintain holiday records

Assyst applies separate holiday calculations for regular-hours employees and qualifying irregular-hours or part-year workers, including zero-hours, casual and bank arrangements where the statutory definition applies. For regular-hours employees, it records the agreed working pattern and each dated contractual change, preserving the entitlement calculated under earlier patterns. For irregular-hours and part-year workers, it calculates holiday from hours worked in each weekly, fortnightly or monthly pay period, applies statutory rounding and records each credited amount in a period-by-period accrual history. Assyst also retains holiday taken, pay information, and relevant sickness and statutory-leave records. This means employers can review earlier periods retrospectively, trace how the entitlement and payment were calculated, and identify the evidence behind a holiday balance.

Discuss your workforce requirements with Assyst

Assyst Workforce Management is a workforce management platform for multi-site employers, bringing together HR and paperless onboarding, time and attendance, workforce scheduling, payroll calculations, task management and a mobile staff app. To find out more or discuss how Assyst could support your business, visit www.assyst.uk and contact us through the website.

Useful official sources

Acas — Keeping holiday records | https://www.acas.org.uk/checking-holiday-entitlement/keeping-records

GOV.UK — Holiday pay and record keeping | https://www.gov.uk/holiday-entitlement-rights/holiday-pay

Working Time Regulations 1998, regulation 16B | https://www.legislation.gov.uk/uksi/1998/1833/regulation/16B

General guidance for employers in Great Britain, reviewed November 2026. Contract terms and individual circumstances may require professional advice.