



## NEWS RELEASE

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*Issued by North Hampshire Enterprise*

# **HOLIDAY PAY RULING FOR SICK WORKERS WILL DAMAGE FIRMS**

**Reacting to the House of Lords decision (Wednesday 10<sup>th</sup> June) that holiday pay can be accrued by employees while on sick leave, Gill Edinburgh, Director of Strategy at North Hampshire Enterprise said,**

“This is a devastating blow for small businesses and is particularly damaging at the moment as firms struggle to cope with the impact of the recession. Awarding holiday entitlement to employees that have been absent from work through long-term sickness could result in businesses being financially and operationally crippled.”

The House of Lords confirmed on Wednesday that a recent European ruling saying workers can accrue holiday while on sick leave will apply in the UK. The decision means that employees returning from sick leave are entitled to take paid holiday equal to the number of days they accrued while sick, or be paid in lieu of those holiday days.

Mrs. Edinburgh continued, “Business owners already struggle to cope with long staff absences so anything that increases the amount of time employees are away from work will have a huge impact on their ability to operate efficiently. The new ruling also means that employees can claim money for holiday they have accrued whilst off sick, even going back over a number of years. Any huge payouts that suddenly need to be made could force business owners with financial constraints to make redundancies or even close the business altogether. Current Working Time Regulations adequately protect employees from unfair treatment by their employers so this additional ruling is unnecessary and economically damaging.”



North Hampshire Enterprise offers local businesses support and guidance on all employment issues. Call 0845 036 3000 for more information.

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**Notes to Editors:**

1. North Hampshire Enterprise is the chamber of commerce for the Basingstoke and Deane, Hart, Rushmoor, Winchester and Test Valley areas. Accredited by the British Chambers of Commerce it exists to help Hampshire businesses prosper and develop by providing expert business help and advice. As a membership organisation it is owned by and accountable to the local business community. Visit [www.northhampshireenterprise.co.uk](http://www.northhampshireenterprise.co.uk)