

MANAGERS GUIDE TO FRACTIONAL CONTRACTS

No.	Section/ Question/FAQ	Further Information
	Introduction	This guide is designed to assist managers in understanding what a fractional contract is and help with any specific questions managers may have when this type of contract is being considered. This online guide will allow for a specific section of interest to be selected and managers will be diverted directly to that section.
1.	What is a Fractional Contract?	<p>A fractional contract is used for a University employee who works a fraction of 52 weeks per year on either a full-time or part-time basis.</p> <p>This type of contract is often referred to as a term-time contract, however, it can be used in term-time or non term-time. It is recommended that a contract does not exceed 42 actual working weeks, as once the annual leave, Public Holidays and University Closure Days are added, the contract will be close to an all year round contract. A fractional contract includes the same contractual benefits as any all year round contract.</p> <p>Please speak to your HR Employment Support Services team for further clarification, if required.</p>
2.	Anniversary Date	<p>The Anniversary Date is the start date of the current fractional contract of employment. As an example; if the fractional working arrangements commenced on 1 September 2007 the Anniversary Date will be 1 September each year.</p> <p>The Anniversary Date is very important as this is the date that is used to calculate the yearly entitlement to salary, annual leave, Public Holidays and University Closure Days.</p> <p>If at any point of the year, the contractual working hours or working weeks are changed, the fractional workers Anniversary Date will change from the effective date of this change and the yearly entitlement to salary and holiday entitlement will be re-calculated. In order, to ensure that the correct salary and holiday entitlement is paid, Human Resources will need to be made aware of this change.</p> <p>The Anniversary Date is also important if the fractional worker leaves prior to the end of their contract.</p>

3.	What is a Designated Working Week?	<p>A Designated Working Week is a week that a fractional worker is required to actually work. All other weeks are referred to as non-working weeks.</p> <p>The total number of Designated Working Weeks does not include the entitlement to annual leave, Public Holidays and University Closure Days.</p> <p>There is the requirement from the outset to decide on the Designated Working Weeks, as a pro rata amount of holiday entitlement will be added to the designated working weeks to give the total contract length. This entitlement will be calculated using the fractional calculator.</p> <p>The contractual hours per week that a fractional worker is required to work during the Designated Working Weeks will depend upon the needs of the School/Department, but must be agreed in advance.</p> <p>There may be the need for a fractional worker to work fixed hours per week or for hours to be averaged over the year. If the hours are averaged then the manager must ensure that all hours for the year are worked, otherwise this may result in an overpayment or underpayment.</p>
4.	Salary, hours and overtime	<p>When is the salary paid and how is it split over the year?</p> <p>Fractional workers will receive salary on the same day as other contracted University staff, the penultimate working day of the month.</p> <p>A fractional worker is paid every month in 12 equal instalments. If a fractional worker worked full-time for 34 weeks in the year, the salary will be averaged out over the 12 month period (please see the worked example).</p> <p>Additional Hours</p> <p>Additional hours are defined as the hours that are worked above the normal contractual hours, but do not exceed the full-time hours for that staff group. For example, the full-time hours for a APM Level 3 are 36.25, but if they are contracted to work 25 hours a week and work an extra 11 hours then they are entitled to be either paid (at single time) or take time off in lieu (TOIL) and is at the discretion of the line manager.</p> <p>Additional hours worked above and beyond the normal working hours per week will normally be paid on a month by month basis via timesheets submitted by the line manager. Another option would be to take the time off in lieu, but must be within the Designated Working Week.</p> <p>If the fractional worker is regularly working additional hours then a new contract should be issued to reflect the increased hours. This increase will result in the total contract changing as the Annual Leave, Public Holidays, and University Closure Days being included in the salary and as they have increased their hours so will their annual entitlement. An Authority to Fill form will have to be completed showing the funding is available.</p>

		<p>By the end of the total contract, if an individual has worked extra days or hours, over and above their Designated Working Week, then you must inform the Payroll Office in order for them to pay them the additional hours owed. If you require further clarification please speak to your HR Employment Support Services team.</p> <p>Overtime</p> <p>Overtime is defined as the hours worked in addition to the number of hours that make up the normal full-time working week (i.e. APM Level 1-3 full-time hours is 36.25).</p> <p>If you are entitled to payment or time off in Lieu (TOIL) for working overtime, the normal full-time working week must be worked before overtime is applicable, except in cases of authorised absence, which will include sickness. Overtime is limited to certain staff groups. Refer to Summary of enhanced rates of pay and overtime (if applicable).</p> <p>Unpaid leave – for payment purposes only</p> <p>If a fractional worker has any period of unpaid leave during a Designated Working Week, the manager must inform their HR Employment Support Services Team Leader in order that the money owed can be deducted from their normal salary.</p> <p>Unpaid leave must be kept to a minimum and if it occurs regularly then a new contract may need to be issued.</p> <p>Increments/Performance Review</p> <p>Fractional staff will continue to receive the same increments and have Performance Review under the applicable Review Procedure. For further information please refer to Activity/Performance Review or the O&F Salary Review Procedure.</p>
5.	How to complete an Authority to Fill Form?	<p>As with any other request for a post to be filled, the Authority to Fill a Post form (ATF) will need to be completed to obtain approval. It is essential that the Designated Working Weeks are included on the ATF, which will exclude holiday entitlement.</p> <p>The fractional calculator has been devised to assist in calculating the Full-time Equivalent (FTE), holiday entitlement and salary. The manager should work jointly with their HR Recruitment Services Team Leader to complete and submit the calculation with any accompanying text with the ATF form.</p>
6.	The Recruitment of a Fractional Worker	<p>You will need to follow the normal recruitment process.</p> <p>It should be noted that when advertising the vacancy, the adverts should stipulate the number of Designated Working Weeks required as a minimum, but also state the total contract length as this is going to aid the recruitment process.</p>

		<p>The manager should issue a work pattern, which will show the Designated Working Weeks and non-working weeks, to the fractional worker at the earliest opportunity, either before they commence employment or on the first day of employment, as the contract of employment will not necessarily detail the exact working pattern.</p>
7.	Holiday Entitlement - Annual Leave, Public Holidays & University Closure Days	<p>Annual Leave, Public Holidays & University Closure Days</p> <p>Holiday entitlement including Annual Leave, Public Holidays and University Closure Days for a fractional worker is the same as other equivalent contracted University staff. However, entitlement is worked out on a pro rata basis to take into account the part year working. This can be worked via the fractional calculator.</p> <p>Once the Annual Leave, Public Holidays and University Closure Days have been worked out (see example 1) the number of weeks/days entitlement are added onto the Designated Working Weeks to establish the total contract length.</p> <p>The number of Designated Working Weeks excludes any Public Holidays/University Closure Days. If there is a Public Holiday in the Designated Working Week and the employee is not required to work the Public Holiday, you need to deduct 0.2 weeks off. For further information please speak to your HR Employment Support Services team.</p> <p>Fractional workers are deemed to have taken annual leave during the total contract length, but not during the Designated Working Weeks of their working pattern. There is, therefore, no requirement for the fractional worker to book annual leave in the same way as other contracted University staff.</p> <p>In exceptional circumstances where a fractional worker wants to take annual leave during the Designated Working Weeks, the manager should ensure that the fractional worker works extra time during the Designated Working Weeks or non-working weeks to ensure, in totality, that the weeks specified in the contract of employment are worked.</p> <p>Unless a manager requires an employee on a fractional contract to work during Statutory Public Holidays or University Closure Days, any days that fall within the Designated Working Weeks should not be included in the count of Designated Working Weeks.</p> <p>If a fractional employee works on a Public Holiday or University Closure Day and this is not included in the Designated Working Weeks then please refer to the Summary of Enhanced Rates of Pay and Overtime.</p> <p>The fractional calculator should be used to calculate the Total Contract Length.</p>

8.	Changes to working hours or number of designated working weeks	<p>Where there are permanent changes in the hours of work per week or the Designated Working Weeks per year, the current contract of employment will need to end and a new fractional contract issued. This is due to the changes having an impact on the fractional workers Full-time Equivalent (FTE) and salary. For example, if the hours are increased then the salary will also increase, or if the working weeks are decreased, then this will decrease the salary. The new contract of employment will have a new Anniversary Date and the new hours or Designated Working Weeks stated. All other terms and conditions will remain the same and service with the University will be continuous.</p> <p>Where there is an increase in hours, an Authority To Fill form will have to be completed. If there is a decrease, you must contact your HR Employment Support Services team for advice on how to notify this change in order for a contract to be issued. Depending on the date of change there could be an overpayment/underpayment, in view of this you may wish to speak to your HR Employment Support Services team to discuss the impact of this change.</p>
9.	Sickness	<p>If a fractional employee is sick outside their total contract length, this does not need to be reported. However, if the fractional employee is off sick during their total contract length (i.e. designated working weeks), this should be reported in the same way as any other member of staff. Fractional staff will continue to receive the same sickness entitlements. Please see the Sickness Policy for further information.</p> <p>If a period of long-term sickness spans the designated and non-working weeks, the employee continues to submit a "statement of fitness for work" until the period of sickness comes to an end.</p>
10.	Fractional Calculator	<p>What is the Fractional Calculator?</p> <p>The fractional calculator, developed by HR, is designed to assist managers in calculating the pro rata salary, holiday entitlement including annual leave, Public Holidays and University Closure Days, and will give you the total contract length.</p> <p>Please speak with your HR Employment Support Services team for more information.</p>
11.	Worked Example	<p>You can either work through the example using the Fractional Calculator or use the step-by-step example to work out the information needed.</p> <p>You will need the following information before using the calculator or going through the example below manually:</p> <ul style="list-style-type: none"> • Hours of work in the normal full-time working week, APM/R&T/O&F Job Families, Levels 1-3 (4+ equals a nominal) work 36.25 hours. • Number of annual leave days entitlement, all Job Families Levels 1-3 = 25 days, Level 4+ = 30 days. • Number of contracted hours per week to be worked. • Number of Designated Working Weeks excluding any Public Holidays/University Closure Days. If there is a Public Holiday in the Designated Working Week and the fractional worker is not required to work the Public Holiday, 0.2 of a week will need to be deducted from the Designated Working Weeks. For example, if the two May Public Holidays, which fall on a Monday, are in the working pattern for the fractional worker, 0.4 of a week will need to

- be deducted.
- Full-time salary for the post.

Example 1 – STARTER (Including calculation and step-by-step guide)

An Administration Assistant, APM level 1 is working 30 hours per week part-time for 31 Designated Working Weeks (there are two Public Holidays during this period). The full-time salary for the post is £13,085.

Please work through the following steps detailed below.

- Hours of working in the full-time normal working week = 36.25.
- Holiday entitlement (full-time equivalent) = 25 days entitlement + 8 Bank Holidays + 5 University Closure Days = 38 days.
- Hours of work per week = 30.
- Designated Working Weeks = 30.6 (0.4 weeks deducted for two Public Holidays as above).
- Full-time equivalent salary = £13,085.

From this information we can work out the pro-rata salary and holiday entitlement for the fractional worker.

Step 1 – Full-time Equivalent (FTE)

- Firstly, you need to work out the total number of hours to be worked in the year.

Total hours to be worked per year = 30 hours x 30.6 weeks = 918 hours (A)

- Secondly, you will need to work out the full-time working hours and holidays for the whole year.

Full-time working hours per year = 36.25 hours x 52 weeks = 1885 hours (B)

Full-time holiday hours per year = 36.25 hours / 5 days x (25+5+8) 38 leave days = 275.5 hours (C)

Finally, the total working hours per year for a full-timer (excluding leave hours) = 1885 (B - working hours) minus 275.5 (C - holiday hours) = 1609.5 hours (D)

The full-time equivalent (FTE) for the post is worked out as follows:

To work out the full-time equivalent (FTE) take total hours per year (A) 918 and divide by (D) 1609.5 = 0.570 FTE

		<p>Step 2</p> <p>The holiday entitlement hours are calculated as follows:</p> <ul style="list-style-type: none"> • Holiday entitlement for fractional worker = $0.570 \text{ (FTE)} \times 275.5 \text{ (full-time holiday hours)} = 157.1 \text{ hours.}$ • $157.1 \text{ hours} / 30 \text{ hours per week} = 5.2 \text{ weeks for annual leave}$ <p>Step 3</p> <p>Total contract length = 30.6 Designated Working Weeks plus 5.2 weeks holiday = (35.8) rounded to 36 weeks in total.</p> <p>Step 4</p> <p>To work out the pro-rata salary:</p> <p>Take the full-time salary of £13,085 x FTE 0.5704 = £7,463.68 per annum / 12 (months) results in the monthly pay of £621.97.</p> <p>Please note the calculator rounds up and down.</p>
12.	Ending a Fractional Contract	<p>Fractional contracts can end at any time. An employee who wishes to leave the University does not have to wait until the beginning or end of term to give notice. The employee can give notice at anytime in line with their terms and conditions.</p> <p>Managers should complete a leaver's form as soon as practically possible advising HR of the Anniversary Date and the number of Designated Working Weeks and days from the Anniversary Date that the fractional worker had completed.</p> <p>Managers should include information of any periods during the Designated Working Weeks that have not been worked e.g. unpaid leave from the Anniversary Date to the leave date. It is very important that this information is clearly documented.</p> <p>The Anniversary Date will be stated in the current contract of employment. However, if you are unsure of the Anniversary Date please speak to the HR Employment Support Services team.</p> <p>If an employee has been on maternity leave you should count the time on maternity leave as having been worked as normal and include this in the count of Designated Working Weeks and days from the Anniversary Date. This information will enable HR and the Payroll Office to be able to do the necessary calculations to work out</p>

		<p>underpayments/overpayments.</p> <p>Managers and fractional workers should be aware of the impact of ending a fractional contract, which does not end on the Anniversary Date, in terms of an underpayment/overpayment. An underpayment/overpayment can occur as the salary is averaged over 12 months of the year.</p> <p>UNDERPAYMENT</p> <p>Depending on when the contract ends, there may be a difference between hours worked (plus annual leave/Bank Holidays/University Closure Days accrued) and hours paid.</p> <p>If the hours worked (plus annual leave/Bank Holidays/University Closure Days) are greater than hours paid, then the University will pay the outstanding hours to the employee in their final salary. The Payroll Office can calculate if required.</p> <p>OVERPAYMENT</p> <p>Depending on when the contract ends there may be a difference between hours worked (plus annual leave/Bank Holidays/University Closure Days accrued) and hours paid. If the hours paid is greater than the hours worked (including annual leave/Bank Holidays/University Closure Days) the University will re-coup this payment from the employee's final salary.</p> <p>As the salary is averaged over a period of 12 months the fractional worker would have been paid more than the hours actually worked. The University will deduct the overpayment from the final monthly salary. However, if the amount exceeds their monthly pay, the employee will have to make arrangements for the repayment to be made to the University as soon as possible. The Payroll Office will calculate this amount.</p>
13.	Further Information	<p>The University recognises that the contractual and payment aspects of fractional contracts can be difficult to understand. Further information can be obtained from the HR Employment Support Services team for the relevant School or Department.</p>
	OTHER FAQ'S:	<p>What is a Fractional Contract?</p> <p>A fractional contract (often referred to as a term-time contract) used for a University employee who works a fraction of 52 weeks per year. Fractional contracts can be offered on a part-time or full-time hour's basis.</p> <p>What is the Anniversary Date?</p> <p>The Anniversary Date is the start date of the current fractional contract of employment and is stated in the contract of employment. For example, if the contract started 1 September 2007, the Anniversary Date will be on 1 September every year. The anniversary date is very important, as this date is used to calculate salary for the year,</p>

	<p>holiday entitlement, Bank Holidays, University Closure Days etc.</p> <p>What is a Designated Working Week?</p> <p>This is the number of weeks the fractional worker is actually required to work and excludes Annual Leave, Public Holidays and University Closure Days.</p> <p>What is the Total Contract Length?</p> <p>The total contract length is the amount of Designated Working Weeks plus the pro rata Annual Leave, Public Holidays and University Closure Days.</p> <p>What if a Fractional Contract Worker takes Annual Leave in Designated Working Week?</p> <p>Annual Leave taken by a fractional worker during the Designated Working Weeks should be in exceptional circumstances only.</p> <p>However, where the manager agrees to this annual leave they should ensure that the fractional worker works the equivalent amount of time taken on another occasion, previously determined between the fractional worker and the manager. This is required, as the salary for a fractional worker includes a pro rata entitlement to Annual Leave, Public Holidays and University Closure Days. Please refer to the salary section for more information.</p> <p>What if a Fractional Contract Worker doesn't work enough hours?</p> <p>If the hours paid are greater than the hours actually worked, the University will recover this payment from the fractional workers final salary. The manager must inform the Payroll Office in order for them to deduct the money from their final salary.</p> <p>What other benefits still apply?</p> <p>A fractional worker will receive the same benefits as other University contracted staff including increments and Performance Reviews in line with the applicable University procedure.</p> <p>If a Fractional Worker is due to go on Maternity Leave, are they entitled to Maternity Pay?</p> <p>Yes, and this is based on their normal monthly salary. Line managers must ensure they complete and return the appropriate paperwork as soon as possible to the HR Department. If you need further information you should speak with your HR Employment Support Services team.</p>
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