

Holiday Pay Fund Case study: Silverdell

When you think of businesses the construction industry's holiday pay scheme applies to, asbestos removal experts probably don't immediately spring to mind. However, Silverdell, one of the country's leading asbestos removal and management contractors, has taken advantage of the scheme to great effect.

The London based company was assisted by Andy Bradley from full service employment solutions provider PES. Andy said: "As holiday pay amounts to approximately 10% of the average construction worker's wage, it's crucial that companies get their holiday pay scheme right. Holiday pay can be paid free of National Insurance for both employee and employer by running the scheme, leading to a saving of 12% on payroll and hitting the bottom line immediately."

The legislation states that a third party must hold the funds from which the client can withdraw or pay into, hence PES' involvement. In this case, Silverdell deposited a 15% fund with PES to operate the scheme. Andy's role was to oversee the scheme, ensuring that careful records were kept, performing annual audits, and keeping an eye on the monthly incomings and outgoings.

"My first action was to make the process of recording holiday more official. It was important that the information was fed through to payroll and that the managers were involved." Andy added. "I went on to stress the importance of employees recording their holiday. The benefits of an improved holiday recording process include better holiday planning and the assurance that employees take their entitlement to holidays."

The implementation of the holiday pay scheme has made a significant saving for Silverdell. Group Finance Director Chris Simms said: "PES' involvement has helped us take advantage of a fund we didn't know existed. As well as the savings, one of the biggest benefits is having someone on the end of the phone to discuss any queries regarding our monthly deposits and reclaims and to advise on any related payroll issues when they arise. I would certainly recommend the scheme to other companies in the sector."