# **Company Holiday policy template**

This Holiday policy template is ready to be tailored to your company’s needs and should be considered a starting point for setting up your employment policies on holiday pay and overtime.

## **Policy brief & purpose**

Our company holiday policy outlines the days our company acknowledges as holidays and provides relevant guidelines for holiday pay.

## **Scope**

This policy applies to all our employees. Our employees’ exempt or non-exempt status calls for different provisions, which we will describe in this policy.

This policy doesn’t apply to employees covered by a collective bargaining agreement.

## **Policy elements**

Our company observes the following holidays:

* [*New Year's Day*]
* [*Martin Luther King’s Day*]
* [*President’s Day*]
* [*Good Friday/Easter Monday*]
* [*Memorial Day*]
* [*Independence Day*]
* [*Labor Day*]
* [*Columbus Day*]
* [*Veterans Day*]
* [*Thanksgiving Day*]
* [*Christmas Day*]

These holidays are considered “off-days” for most employees, unless a particular department or branch of our company must operate during these days.

If a holiday falls on a day when our company doesn’t operate, we will observe that holiday on the closest business day. For example, if a holiday falls on a Sunday, the following Monday will be observed as a holiday. HR is responsible for informing employees by communicating with them directly (e.g. via email) and updating our internal HRIS.

Also, our company offers a floating day which individual employees can take as a holiday any day they choose. Unused floating days do not usually accrue.

If an employee misses a holiday due to a compressed working week, they can take a substitute day as time off. Employees who want to take their substitute day must inform their manager and HR.

### **Working on a holiday**

Whenever working on holidays becomes necessary, we will:

* Inform employees at least [*one week*] in advance, if they’re expected to work on a holiday.
* Pay non-exempt employees their regular hourly rate with a premium. If non-exempt employees are required to work overtime, they will be paid the established overtime rate for extra hours worked.
* Offer exempt employees an additional day off to be taken within [*12 months*] after the holiday.

We [*will/ won’t*] count hours employees worked on a holiday to decide whether an employee is entitled to overtime pay or to calculate the overtime amount due.

### **Holiday pay entitlement policy**

Exempt employees are entitled to their normal compensation without any deductions for holidays our company observes, whether they work on the holiday or not. Part-time employees will be paid according to the amount of hours they would have worked on that particular day.

Permanent non-exempt employees are entitled to receive holiday pay in addition to their regular compensation after they have been with us for more than [*three months*] on a full-time basis.

Temporary non-exempt employees are not entitled to holiday pay.

### **Holiday pay when employees are on leave**

Sometimes, employees may be on leave ([sick](https://resources.workable.com/sick-leave-company-policy), [vacation](https://resources.workable.com/unlimited-vacation-company-policy), etc.) on a holiday. In this case, we will pay them the amount they are entitled to, if they are on a pay status (e.g. [PTO](https://resources.workable.com/paid-time-off-company-policy).) If they are on a non-pay status (e.g. temporary layoff), they are not entitled to holiday pay.

### **Religious Holidays**

Apart from observed state and national holidays, some employees may observe separate religious holidays. In the spirit of anti-discrimination practices, we will allow employees to take unpaid time off for a religious holiday, unless such an arrangement will cause undue hardship to our company.

Employees can also choose to use their floating day or PTO for religious holidays. If they need to use unpaid time-off, they should consult with HR. The HR department will examine and grant employee requests on a case-by-case basis.

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| *Disclaimer: This policy template is meant to provide general guidelines and should be used as a reference. It may not take into account all relevant local, state or federal laws and is not a legal document. Neither the author nor Workable will assume any legal liability that may arise from the use of this policy.* |

**Further reading:**

* [Federal Holidays: Work schedules and Pay](https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/holidays-work-schedules-and-pay) (U.S. Office of Personnel Management)
* [Floating days in California](http://www.lexology.com/library/detail.aspx?g=e2d2081b-f9c0-42f5-89e6-05b6a69e4f75)