



# **Review of Consultation Responses**

# **Annual Leave and Rest Breaks**

**March 2025**

---

# Introduction

In 2024 the Department for Enterprise conducted a number of consultations in relation to employment legislation. This consultation in particular sought views on annual leave and rest breaks.

This work continues the Department's commitment to bring forward a number of employment rights changes during the administration as detailed in Our Island Plan which sets out a vision of a secure, vibrant and sustainable island.

## Summary of responses

- The activity ran from 13 August 2024 to 29 November 2024
- This consultation received 223 online responses and 2 additional responses from representative organisations including the Isle of Man Chamber of Commerce on behalf of around 100 local businesses/individuals
- Of the 223 online responses, 29 of these were made on behalf of organisations and therefore likely representing the views of more than 1 person.
- Each question received fairly similar statements in response or followed a number of dominant themes throughout. The overwhelming message from respondents was the need to consider **flexibility** and the **impact** these proposals may have on businesses, particularly smaller businesses. Responses for the proposals made overwhelming comments on the impact improving these rights would have on a worker's **health** and **well-being** while those against the proposals were concerned about business **competitiveness** and the involvement of government in **employer-employee matters**.



# Context

Our Island Plan sets out a vision of a secure, vibrant and sustainable Island, with a commitment for the Department for Enterprise to deliver reforms to employment legislation, ensuring the Island is aligned with international standards and remains a competitive and attractive place to work.

In doing so, the Department conducted a consultation on annual leave and rest breaks due to significant differences in provision with neighbouring jurisdictions. At the time of consultation, statutory annual leave on the Island was 4 weeks. For example, a person who works a 5-day week is entitled to 20 days leave in a leave year. An employer can choose if this 20 days is to include bank holidays of which there are 10 each year on the Island including Christmas and Boxing Day.

Meanwhile, in the UK, statutory annual leave was 5.6 weeks per leave year which equates to 28 days for an individual who works a 5-day week.

This consultation was conducted with a 5-day working week in mind however there is recognition that this is not the working pattern of the whole workforce.



In regard to working time and rest breaks, currently on the Isle of Man, employers outside of those specified in the Shops Act 2000 (predominantly retail) are not legally obliged to give their staff rest breaks, other than breaks given for health and safety reasons and if the employee or worker is of school age. This includes the time that must pass between working days/shifts.

Neighbouring jurisdictions hold regulations that are based on the European Working Time Directive. These rules include limits to weekly working hours, a minimum daily rest period and a minimum weekly rest period.

# Do you support an increase in the statutory provision of paid annual leave allowance?

Option	Total	Percent
Yes	197	88.34%
No	22	9.87%
Unsure	3	1.35%
Not Answered	1	0.45%

## **For**

The vast majority of respondents agreed with an increase in statutory annual leave provision. Within this 88%, 4 employers of varying sizes also agreed with this proposal.

**Work-Life Balance and Mental Health** - Many express the need for better work-life balance and highlighted the importance of breaks and rest periods to avoid burnout and improve mental health.

**Annual Leave Insufficiency** - There was a recurring concern that the current provision is insufficient, especially when compared to the UK's higher allowances. In addition, some respondents made comments that an increase may assist those who have to manage their annual leave around childcare, particularly during the school holidays.

**Disparities with UK Company entitlements** - Some respondents pointed out the disparities between employees working for UK-based companies versus local companies on the Island which they believe creates an advantage for UK based companies recruiting on the Island over Island based companies.

**Productivity and Recruitment** - There are arguments that increased leave could potentially reduce stress, improve productivity, reduce unplanned absences (such as sickness) and help attract more workers to the island, with the current provision being unattractive to those looking to relocate.

**Travel Considerations** - 9 respondents commented on the need for additional leave in relation to travel restrictions. Comments noted that if travelling off Island, an individual may need to account for additional days and this is emphasised with the occasional uncertainty of travel off Island. It was also commented that an individual may need to access healthcare in Liverpool for example and they might have to take additional annual leave for this as they are not able to access this service on Island.

**Bank Holidays** - Throughout the consultation, a high number of comments referenced the current legislation that allows an employer to include bank holidays in an individual's current allowance. These comments highlight the need for this to be carefully considered when developing any future policy.

## **Against**

Of the 22 respondents that disagreed with the proposal, the majority (17) of these were employers that varied in size. 8 of the 17 employers disagreed with the proposal would be considered small employers with between 1 and 10 workers.

### **Economic Concerns:**

- Some business owners fear closure due to the compounded pressures of VAT bills, wage increases, and the proposal and that these increased costs will have to be passed onto the customer.
- Some respondents are concerned about the negative impact of these financial pressures on the sustainability of local businesses and their ability to compete with larger chains or UK based employers who already provide over the Island's statutory minimum of annual leave.

### **Impact on Productivity:**

- A common theme is the perceived detrimental effect that increased leave allowances and employment costs have on productivity.
- Some businesses already offer more than the statutory minimum leave and feel unable to support further increases without harming productivity.
- One respondent made comment that an increase in annual leave may be a concern for employers who struggle to accommodate leave as it is and that an increase may lead to employers to restrict when leave can be taken.

### **The Role of Government:**

- Some comments made reference to the justification for the role of Government in deciding employment legislation that will have an impact on business.
- Of those disagreeing with the proposal, a number of comments propose that annual leave should be left to employers to decide.

## Do you support an increase in order to align paid annual leave to the UK's provision (5.6 weeks)?

Option	Total	Percent
Yes	180	80.72%
No	30	13.45%
Unsure	12	5.38%
Not Answered	1	0.45%

The overwhelming sentiment is that the Isle of Man should align its annual leave entitlement with the UK standard of 5.6 weeks (28 days).

Both representative organisations who submitted responses outside of the online consultation also supported this proposal, including the Chamber of Commerce recording a small majority (53%) of those questioned agreeing with the proposal.

### For

**Benefits** - A high number of comments largely echoed the sentiment towards worker wellbeing and productivity made in response to the previous question.

**Competitiveness and Attraction** - Many shared the sentiment of responses to the previous question in making the Island attractive to live and competitive against other jurisdictions.

**Fairness and consistency** - Many comments were made by those who felt they were being unfairly disadvantaged having a lower statutory minimum than counterparts in the UK.

### Unsure

A higher number of respondents selected they were unsure with alignment than those who were unsure on the previous question. Those selecting 'unsure' in response to this question mainly queried how this might work in operation and specifically, if increasing the annual leave on the Island to ensure alignment would make employers reflect on their current arrangements for bank holidays. Of the small number of comments made, one respondent noted they were concerned that increasing annual leave provision on the Island might result in employers including bank holidays in annual leave entitlements and that perhaps a number of workers might be left worse off by this.

### Against

The majority of respondents against aligning provisions also were not supportive of increasing annual leave (previous question).

**Impact on Small Businesses** - There are concerns that increasing annual leave to 28 days will negatively impact small businesses, making it difficult for them to function effectively. Some suggested that such changes may force small businesses to close or struggle more than larger businesses.

**Flexibility** - It was commented that businesses should have the flexibility to manage their annual leave policies to suit their operations. It was noted that operations differ across different sectors and alignment wouldn't necessarily be suitable for workers across all sectors and that the impact of doing so would differ.

**Existing Challenges** - Respondents noted that existing provisions, particularly in regulated industries, coupled with shortages of staff already make it difficult to accommodate annual leave at the current level. One comment noted that this proposal would reduce productivity and market competitiveness.

**Role of Government** - Similar to other comments throughout the consultation, comment was made of Government involvement in an area that some respondents feel should be left to be decided by business and workers.

# Do you think statutory annual leave should increase over 5.6 weeks?

Option	Total	Percent
Yes	115	51.57%
No	62	27.80%
Unsure	46	20.63%
Not Answered	0	0.00%

## **For**

Many comments made by those who supported the proposal made reference to previously made comments such as the potential improvements to worker well-being, productivity, staff retention and making the Island a more attractive place to live.

Respondents also recognised the impact that this proposal may have on businesses, particularly on smaller businesses who may struggle to afford additional provisions.

**Family benefits** - Some comments supported a 30 day leave provision for those working a 5 day week which could be particularly beneficial for those who have to arrange childcare, especially during the summer holidays

**Length of Service** - Some comments did reference that this could be introduced incrementally based on length of service.

**International standards** - Aligning or surpassing the UK's leave standards is seen as important for making the Island an attractive place for workers.

**Bank Holidays** -As per the responses to previous questions, a number of responses made reference to bank holidays being included in the current annual leave provisions and showed support for 20 days in addition to bank holidays on the Island and for this to be legislated for.

## **Against**

- More than half of respondents (34) who voted against the proposal had supported reaching parity with UK annual leave provision but not with going above this level.
- Overall, the main points made reference to balancing the needs of employees to have adequate leave with the operational and financial capacities of businesses, advocating for flexibility, and maintaining consistency in leave policies across the UK and the Island.

## **Balance and Flexibility**

- A common theme is the need to balance annual leave with business productivity, especially for small businesses. Many comments expressed that 5.6 weeks of leave is manageable, but any more could negatively impact smaller businesses.
- Comments highlight the financial strain from both holiday pay and the need for additional staff to cover extended leave periods.
- Several comments suggest that work arrangements, including leave policies, should be flexible and be decided by employers and employees (similar to previous comments calling to allow the market to decide).

## **Sufficiency of current provision and the previous proposal**

- Many participants feel that the current allowance and the previous proposal of aligning with the UK's 5.6 weeks is sufficient.

For those respondents that voted 'unsure', comments often weighed up both sides of the proposal, recognising multiple points to be true.

# If you are an employer, what impact on your business do you think an increase in statutory paid annual leave would have?

Option	Total	Percent
Insignificant	26	11.66%
Minor	17	7.62%
Moderate	14	6.28%
Major	14	6.28%
Severe	3	1.35%
Not Answered	149	66.82%

A high number of these responses were made by those declaring themselves as 'employees' rather than 'employers'. While those identifying as employees made valid contributions to this question, the responses detailed here are those of those respondents that identified as an employer. It should be noted that the comments made by employees showed strong links to those made throughout the consultation, commenting on staff wellbeing and productivity and potential negative impacts this may have on smaller businesses.

## Insignificant

- 6 employers stated that this would have an insignificant impact on their business. A strong reason for this may be that their businesses already offer over the statutory minimum for annual leave and this was stated by 4 of the 6 respondents.
- No businesses who could be classified as 'small' (up to 10 employees) said this would have an insignificant impact on their business which supports the sentiment made throughout the consultation that these proposals may have an impact on small businesses.

## Minor

- 2 larger employers voted that this would have a minor impact on their business as they already offer over the statutory minimum.

## Moderate

- 8 employers of varying sizes said this would have a moderate impact on their business with 1 employer stating they would reduce pay if this proposal was brought forward and another saying they would need existing staff to work additional hours.

## Major

- 10 employers, 6 of which employ up to 10 employees said these proposals would have a major impact on their business and reasons for this including increased costs (including additional recruitment), additional workload for existing workers and a reduction in productivity.

## Severe

- 3 employers of varying sizes said the reason these proposals would have such an impact on their business is because of the increased cost.

# Should statutory rest breaks be extended to all workers and employees?

Option	Total	Percent
Yes	168	75.34%
No	27	12.11%
Unsure	27	12.11%
Not Answered	1	0.45%

## **For**

A high number of respondents made comments repeated throughout the consultation touching on the importance of worker wellbeing and the positive impacts rest break/more annual leave can have on productivity and stress in the workplace.

**Fairness-** There is a strong sentiment that all workers, regardless of sector, should be entitled to fair and appropriate rest breaks.

## **Health & Safety**

- Many comments referenced rest breaks as being essential to complying with the health and safety of a business. Some respondents made reference to their own entitlement which they felt was not satisfactory, partly due to health and safety.
- Comments frequently mention the strain of working with screens and the need for regular breaks to prevent eye strain and other physical issues.

**Economic Considerations** - Some comments address the financial implications for businesses, suggesting that government support might be needed to help small companies comply with rest break regulations.

**Suggestions** - Many comments suggested potential timing structures for break times. Most of these included a shorter break (30 mins for example) for working 5-7 hours and anything over 7 having a 1-hour break that could be taken in smaller periods. Time over 7 hours could accrue additional break periods.

## **Unsure**

Those that were unsure, as in response to other questions weighed up the arguments made by both sides including differences in industries and occupation and the advantages of having flexibility between businesses.

## **Against**

A small majority of employers were against the proposal.

## **Flexibility and discretion**

- Many comments highlight the importance of flexibility and discretion regarding breaks. Respondents commented that one size does not fit all and that breaks should be at the worker's discretion
- There is a consensus that the need for breaks vary significantly across different industries. For example, childcare workers and manual labourers may have different requirements compared to office workers.

## **Economic Considerations**

- Several comments express concerns about the financial impact of enforced breaks.
- Comment was made that the potential introduction of statutory rest breaks may mean workers having to spend longer in the workplace to maintain their current salary levels and that this is likely to be undesirable.

**Health and Safety** - Some comments suggest that breaks should only be mandatory if they are necessary for health and safety reasons.

**Increased regulation** - Some respondents felt that the current legislation (or lack of) was suitable and works for their business (and workers) and that increasing regulation of rest breaks would have a negative impact on business.



## Do you feel that you have sufficient break times provided by your employer currently?

Option	Total	Percent
Yes	113	50.67%
No	70	31.39%
No opinion	35	15.70%
Not Answered	5	2.24%

On reflection, it may have been helpful to ask respondents what industry they operate in to be able to gauge where respondents felt provision was lacking, particularly as some workers are already afforded statutory rest breaks.

In future consultations, the Department will consider asking respondents to select their industry if they are a worker which may provide more insight to responses.



# In the UK, workers have the right to one uninterrupted 20 minute rest break during their working day, if they work more than 6 hours a day. Do you think this would be sufficient?

Option	Total	Percent
Yes	75	33.63%
No, more breaks are needed	112	50.22%
No, less break is needed	5	2.24%
Unsure	30	13.45%
Not Answered	1	0.45%

## Yes

- 11 of the 75 respondents voting in agreement with the proposal were employers.
- The majority of those (68%) of those surveyed by the Chamber of Commerce also supported this, alongside the other off-line response made by a representative organisation. Their comments largely echoed those made via the online consultation hub with technical questions about how the proposal may operate.
- As with previous questions, many respondents commented that the proposal would increase worker well-being, enhance productivity and increase safety.
- Several of those voting yes did so with the condition that this 20 minute was provided along with an additional break for lunch.
- Many commented that breaks should be dependent on the number of hours worked.
- A few comments mention that 20 minutes may not be enough for physically or mentally demanding jobs, advocating for longer or additional breaks.

## Flexibility

- As with previous proposals, respondents expressed the need for flexibility to accommodate different industries/occupations
- It is also noted that some would prefer to work without break and some people may prefer to take this time and so that rest breaks should be optional.

## Economic considerations

- As with the previous proposal, concern was raised that if rest breaks are unpaid that it may lead to a reduction in pay or result in the worker spending an increased time in the workplace to make up for this break period which is undesirable for respondents.

## No, more breaks are needed

- A total of 6 employers agreed that more breaks than the proposed 20 minutes were required.

**Flexibility** - Many respondents gave suggestions for tiered systems dependent on the number of hours worked. Comments also referenced that breaks may be dependent on industry for example, some comments made reference to additional periods for those in manual labour

## 20 minutes is insufficient

- A high number of respondents quoted their reasoning for more breaks on the fact they feel 20 minutes is insufficient.
- Many commented that if this was to be provided as a lunch break, it is not enough time to get food, eat at an appropriate speed and have sufficient time to rest before going back to work.

## Suggestions

- 14 comments suggested 30 minutes as a minimum (working over 5 hours)
- As above, many suggested a tiered system for example:
  - 5 hours – 30 minutes
  - 7 hours – 45 minutes
  - 9 hours – 1hr 30 minutes
  - 10 hours – 2 hours
- Multiple respondents also suggested this should be in addition to a lunch break. On reflection, it may have been useful to clearly identify this as a break that is to include lunch or not to gather more insightful comments.

## No, less breaks are needed

- 3 employers supported less breaks than the proposal. Comments were industry specific and referenced allowing flexibility.
- 1 respondent supported a different break structure than the proposal of 15 minutes every 3hrs 45 worked so they didn't necessarily support 'less breaks'.

## Unsure

Of those unsure, many commented the need for flexibility depending on the industry. Some also made comment querying if this 20 minute break was to include lunch or be in addition to. As mentioned previously, it may have been helpful to indicate this when asking the question. There was again reference to the unattractiveness of the proposal if it resulted in longer periods in the workplace for workers, particularly if the rest period was mandatory and unpaid.

# Do you think there should be a mandatory time that workers and employees should be provided between shifts/days?

Option	Total	Percent
Yes	150	67.26%
No	22	9.87%
Unsure	44	19.73%
Not Answered	7	3.14%

## Yes

- 10 of those that agreed were employers
- Both representative organisations supported the proposals although the Chamber of Commerce asked their respondents a slightly different question, focusing on the introduction of the proposal to promote health and safety. To that question, 75% of 98 respondents supported this and comments reflect those made by others via the online consultation hub regarding sector specific challenges and how this would operate with secondary employment.

**Health and safety concerns** - Comments focused on how this may prevent workplace injuries including road traffic collisions for those workers who have to drive and reduce staff exhaustion. Specific examples of sectors where the lack of rest could be detrimental were given, such as in healthcare.

**Worker well-being** - Many comments were received on the importance of work life balance as is mentioned throughout the consultation, with commentary of the need for downtime, sleep, and personal time.

**Economic considerations** - Several respondents commented on the financial implications for lower paid workers, highlighting that rest periods might affect those with multiple jobs and the need for flexibility and balance.

**Flexibility** - A recurring theme is the need for flexibility in implementation to accommodate different roles and industries.

**Suggestions** - The most frequently suggested duration is 12 hours, but there's also support for 11 hours, with some mentioning the benefits seen in Ireland's policy.

## Against

- 11 of those that disagreed were employers

### **Sector variability**

- Concerns were voiced that a mandatory period might not be applicable to all sectors for example, those who work in emergency response or some shift work reliant sectors.
- Respondents also raised concerns over the difficulty to accommodate such a break when a business is already short staffed.

### **Economic considerations**

- Respondents felt this introduction might reduce market competitiveness and result in a more restrictive environment to conduct business.
- It was also felt that the introduction may disadvantage those looking to work additional hours.

## Unsure

### **Employer-Employee Arrangements:**

- Breaks and work schedules should be arranged between the employer and worker.
- There should be flexibility for workers to work shifts without mandated breaks if necessary.
- Consideration should be given to workers with secondary employment and ensuring they have sufficient breaks between different roles.

### **Sector variability:**

- Some industries may require exceptions due to the nature of their work.
- Different industries and sectors may face unique challenges regarding such regulation.

# Do you have any other comments on any of the topics raised?

## **Bank Holidays & Sunday working time**

- A number of respondents made comments calling for the need for legislation for retail workers to opt out of working Boxing Day and New Year's Day. The number of comments on the matter indicates that this is an issue for the working population in this sector.
- Several comments propose that shops should open no earlier than 11am and close by 4pm on Sundays, Bank Holidays, New Year's Eve, and Christmas Eve, mirroring UK laws, in a view to reduce working time for workers on these days.

## **The right to switch off**

- Comment was also made calling for the Department to investigate the right to switch off – that is that an employee should not be contacted outside of their working hours. This is planned to be introduced in the UK under the Labour Government's new employment rights reforms.

## **Economic competitiveness**

- Many comments were received to highlight that these reforms may make the Island a more attractive place to live and work whilst some respondents highlighted that this might make the Island a less attractive place to do business.
- A number of comments throughout the consultation made reference to allowing the market and individual contracts to dictate the rights that this consultation is reviewing such as rest periods.
- Comments throughout the consultation commented on the potential impact that these proposals would have on local business.
- A number of comments called for further in-depth cross industry consultation on the proposals raised.

## **Staff Well-Being**

- Many comments throughout the consultation highlighted the potential improvements in wellbeing and productivity by introducing these proposals.

Other comments were made on the introduction of mandatory workplace pensions, the law regarding staff searches in the workplace and the introduction of a 4 day working week.



---

# Next Steps

In the latter half of 2024, the Department undertook a series of seven consultations focusing on various employment matters. Among these, this particular consultation garnered unprecedented attention, both in terms of media coverage and the volume of responses received. This heightened level of engagement signifies a clear area for potential reform, prompting the Department to explore viable changes.

In light of this interest, the Department will consider changes to statutory annual leave provision and in doing so, assess the impact of this across business sectors.

While the work on annual leave will not be immediate, the Department will be prioritising the introduction of a statutory right to a rest break for all workers, in addition to a statutory right to a rest period between working shifts in the next Employment (Amendment) Bill.

In summary, the Department is committed to thoroughly investigating these matters, taking into account the diverse views and suggestions received during the consultation, and ensuring that any changes made are based on robust evidence and comprehensive analysis.



*\*Approach to assessing consultation responses*

*While quantitative data is valuable in assessing consultation responses, it often does not convey the full narrative or the strength of specific arguments. Therefore, we have presented quantitative data to indicate general sentiment. To complement this, we have performed a thematic analysis, which involves grouping comments that raise similar themes, such as economic competitiveness and flexibility.*

*It is also important to note that not every respondent answers each question or provides additional comments. There is also the potential for discrepancies where the chosen answers and subsequent comments may not necessarily align. Consequently, while quantitative data can be indicative, it should not be wholly relied upon.*