

TOIL policy template for UK employers

TOIL has no statutory framework in the UK, so your policy is the only rulebook: it alone defines whether TOIL exists, how it accrues, when it expires, and what happens to balances when someone leaves. The template below covers all of that, plus the two statutory guard-rails every arrangement must respect - average pay for total hours worked must not drop below the National Minimum Wage, and average weekly hours must stay within the 48-hour cap of the Working Time Regulations 1998 unless a worker has signed an opt-out. Copy it, replace the [bracketed placeholders], and it's ready for your handbook.

What does a UK TOIL policy need to cover?

Because no statute fills the gaps, anything your policy doesn't say is undefined - and undefined terms are where disputes live. Once a policy promises TOIL, accrued balances become contractual entitlements: refusing to honour one risks a breach of contract or unlawful deduction from wages claim. So a workable policy must pin down: who's eligible, authorisation before hours accrue, the accrual rate, recording, how TOIL is taken, expiry, leavers, and the NMW and working-time guard-rails. That's exactly the sequence below. (Still deciding between time and money? Read TOIL vs overtime pay first.)

The template

Copy everything from here to the end of clause 11 straight into your handbook, then replace each [bracketed placeholder] with your own details. No download needed - the page is the template.

1. Purpose

This policy explains how [Company name] operates time off in lieu ("TOIL"): paid time off granted in place of payment for approved additional hours. It applies from [date] and replaces any earlier TOIL arrangements. TOIL is a discretionary scheme operated on the terms in this policy; it does not create a right to work additional hours.

2. Scope and eligibility

This policy applies to [all employees / the following groups: ...]. It does not apply to [excluded groups, e.g. casual workers / contractors], whose additional hours are handled under [alternative arrangement]. Where an employee's contract promises paid overtime, that contractual term takes precedence unless the employee and their manager agree TOIL for a specific occasion.

3. Prior authorisation

TOIL accrues only for additional hours approved in advance by [line manager / department head]. Hours worked without prior approval do not accrue TOIL, except in a genuine emergency where retrospective approval is confirmed by [role] within [X working days].

4. Accrual rate

TOIL accrues at [one hour of TOIL for each additional hour worked]. [Optional: hours worked on [weekends / bank holidays / after 10pm] accrue at [rate, e.g. 1.5 hours per hour worked].] The minimum accrual per occasion is [15 / 30] minutes.

5. Recording

All approved additional hours and TOIL taken are recorded in [system, e.g. CoDash / the HR system] by [the employee, confirmed by the manager] within [X working days] of the hours being worked. The recorded balance is the authoritative record, and employees can view their balance at any time.

6. Taking TOIL

TOIL is requested in the same way as annual leave, giving at least [X working days'] notice, and is subject to approval by [line manager]. Approval may be refused for business reasons (for example staffing cover or peak periods), in which case the employee and manager will agree an alternative date. TOIL may be taken in blocks of [half a day / one hour] or more. [Optional: no more than [X days] of TOIL may be taken consecutively without [role]'s approval.]

7. Expiry

TOIL must be taken within [3 months] of accrual. Balances not taken within this window are [forfeited / paid at the employee's normal rate], except where the delay results from the company refusing requested dates - in that case the window is extended or the balance paid, at [role]'s discretion. Managers will remind employees of balances approaching expiry.

8. Leaving the company

Any TOIL balance accrued but not taken at the employee's leaving date is paid at the employee's normal hourly rate in the final pay run. Where practicable, employees will be supported to take outstanding TOIL during their notice period. TOIL taken but not yet accrued at the leaving date may be deducted from final pay [where the contract permits].

9. National Minimum Wage safeguard

The company will ensure that no TOIL arrangement causes an employee's average pay for total hours worked in any pay reference period to fall below the National Minimum Wage. [Role] monitors this for employees whose pay is close to the statutory minimum, and any shortfall identified is corrected through payment rather than TOIL.

10. Working time

Additional hours must not take an employee's average working week above the 48-hour cap in the Working Time Regulations 1998 unless the employee has signed an individual opt-out. Managers must consider total working time before approving additional hours, and TOIL must never be used to normalise excessive hours.

11. Review

This policy is owned by [HR / named role] and reviewed [annually / every two years], or sooner if the law or company practice changes. Questions about this policy or an individual balance go to [contact].

How to adapt it

Honest guidance on the choices the brackets leave open:

- Accrual rate. Hour-for-hour is the most common and the easiest to defend. Enhanced accrual for unsociable hours is a genuine perk, but remember there's no statutory overtime rate to anchor to - whatever you write becomes the promise, so cost it first with our overtime pay calculator and see is overtime pay legally required in the UK? for the wider legal picture.
- Expiry window. 3 months balances flexibility against liability; teams with hard-to-cover roles sometimes stretch to 6. Shorter than a month is rarely fair, and a refusal-driven forfeit invites exactly the grievance the clause 7 carve-out prevents. On refusals generally, see can my employer refuse TOIL?
- Prior authorisation. This is the clause that keeps the scheme solvent - without it, TOIL accrues by custom and you lose control of the liability. Enforce it kindly but consistently.
- Leavers. Paying out accrued balances is both good practice and self-protection: promised TOIL that goes unhonoured risks breach of contract or unlawful deduction claims.
- Don't promise what you won't run. Every bracket you fill becomes a contractual-style commitment. If in doubt, start modest - you can always enhance later. Acas's grievance guidance shows where sloppy TOIL promises end up.
- Interaction with holiday. TOIL is separate from statutory annual leave, and if extra hours are regular the overtime itself may need reflecting in holiday pay for the 4 weeks of EU-derived leave (52-paid-week reference period) - see our guide to UK statutory annual leave.

Running the policy day to day

A policy is only as good as its records - clause 5 fails first in most companies, usually in a spreadsheet nobody trusts. In CoDash the flow is built in: employees submit extra hours, managers approve them, and each approval lands automatically as TOIL days or a payroll line, with expiry reminders and leaver balances flagged for the final pay run. See time off and absence.

A free template from CoDash - codash.co.uk/templates. Edit it to match how your company actually works, and take advice on anything unusual.