

No. 64/26

4th March 2026

Dear Colleague,

ALU (Additional Leave Unpaid)

The purpose of this LTB is to advise all members who did not qualify for POAL (Purchase of Annual Leave) that they can still purchase annual leave using the ALU process. It is important members know that whilst the POAL window has closed, the ALU window will open on 1st April 2026 and can be accessed throughout the year.

We understand the disappointment felt by those members who applied for POAL and did not qualify. The union has pursued a similar replacement whilst we address the legislation and Royal Mail's position on the buffer. This has culminated in the Additional Leave Unpaid (ALU) option.

ALU is a facility that enables members to access the additional leave they would like to opt for but in a different way to POAL.

Please see below the key benefits from ALU and its comparison with POAL.

- There is no closing window for individuals to opt to take leave based on ALU.
- The window for applications opens on 1st April 2026.
- The cost of ALU is the same as the cost of POAL.
- An individual has the same right and opportunity to take extra leave under ALU as they do under POAL.
- Under ALU managers have to accommodate your request.
- All units were asked to factor into their leave spread the same amount of purchased annual leave as last year so that there will be enough leave slots for the application of ALU.
- ALU does not affect an individual's accrual of annual leave.
- We are currently in discussions with Royal Mail over how cost implications of ALU could be spread weekly for weekly-paid staff or monthly for monthly-paid staff. This would be done by utilising existing offerings available to you all as employees of Royal Mail. Members are encouraged to look around for appropriate savings vehicles that may help them manage finances. One potential option is there are currently three credit unions able to work with Royal Mail to make deductions directly from payroll, and individuals can opt to save in these as part of their pay.
- There is a legal belief within the business that if an individual saves money within Royal Mail's own pay system, it cannot be ring-fenced solely for the purchase of annual leave, as this would constitute a benefit and would then be subject to national minimum wage law. Therefore, any such saving scheme could be used for any purpose as a helpful method to manage finances.
- The important factor is that the CWU encourage all of our members who wish to take additional leave of up to six weeks to continue to apply, as ALU offers you the same opportunity at the same cost. The only difference is POAL allows you, via salary sacrifice, to avoid paying the national insurance and income tax on the purchase of the leave at source.

- When you take ALU the cost will be reflective of you being liable for less income tax and national insurance as your income will be less the ALU amount.
- At the point where ALU is taken and pay is reduced if you have utilised a savings plan you would be able to withdraw a sum of money to mitigate the impact.
- We are lobbying Parliament to try to get HMRC to factor the supplement into the minimum wage calculation, which is a permanent addition to basic pay and goes up with pay rises, but until we can achieve this, we believe Royal Mail will avoid any legal implications as a result of the national minimum wage legislation.
- We are also in discussions with Royal Mail over the 20% buffer and whether part of the supplement can be consolidated into basic pensionable pay. Should we be successful on this more members will become eligible for standard POAL. However, until then we have ensured that members retain the opportunity to gain additional time off of work (via annual leave).

Below are some examples that demonstrate how much you may need to save weekly or monthly to spread the payment over the course of the year.

These calculations are based upon a set amount. The weeks or months are the dates in advance of when you are anticipating taking the leave, i.e. 6 months or 26 weeks from 1st April of when the leave is planned to be taken. The amounts suggested are as simple as £500 / 26 weeks = £19 per week or £500 / 6 months = £83 per month. The calculations follow the same principle.

Cost of Annual leave Unpaid after tax & NI (£) Example: 5 days at £100 per day or 7.5 days at £100 per day	Weeks in advance of when ALU is taken		Potential savings amount (£)	
	Weeks	Months	Weekly	Monthly
500	26	6	19	83
500	38	9	13	55
750	26	6	28	125
750	38	9	19	83
500	48	11	10	45
750	48	11	15	68

These Illustrations are examples, the suggestion is to either spread the unpaid leave across the year i.e. take 1 day unpaid and 4 days paid in any annual leave week to spread the cost, or leave the unpaid leave to the end of the leave year. The later the ALU is taken the more opportunity you have to save the required amount.

The amount of ALU taken and the actual cost will depend upon your individual rates of pay, the amount chosen to save is a personal choice.

ALU operates in a similar way to POAL except for the fact that you can personally save the money across the leave year into a savings account instead of Royal Mail saving the money for you from your wages across the leave year. You remain in control of all of the savings as well as how much ALU you take and when.

I hope the above provides an explanation of some options available for members to gain the extra leave they wish to take and ways to mitigate the cost.

Attached is a communication that each manager has received regarding the process to follow when ALU is requested.

In closing, please rest assured that the CWU is working with Royal Mail and politically to address the issues which prevent legally our members from using POAL in the first instance.

Any enquiries relating to the content of this LTB should be referred to the DGSP department hford@cwu.org.

Yours sincerely,



Martin Walsh
Deputy General Secretary (Postal)

POAL window opening soon

The 2026/27 Purchase of Annual Leave (POAL) three-week application window opens on **Monday 9 February**. Please remind colleagues to apply during the window.

New this year: POAL elections now run through **My Bundle+** (now accessed via Robin), and all applications will include a National Minimum Wage compliance check. Anyone who doesn't pass will be offered an alternative route - **Additional Leave Unpaid (ALU)** - so colleagues can still request extra leave.

More detailed information is coming in a [colleague letter](#).

As a manager, what do you need to know and do:

- The new approach will require you to do a bit more than in previous years. This is necessary to manage our compliance with National Minimum/ Living Wage rates, while allowing colleagues to continue to be able to access additional leave.
- We've tried to keep this as simple as possible.

What's different for 2026/27

- If members of your team apply for POAL, but do not meet the check, they will still be able to apply for the additional days leave they are eligible for by submitting an Additional Leave Unpaid (ALU) request.

- They may be able to do this via PSP, but if you have members of your team who do not have access to PSP, you'll need to submit ALU applications (*available from 1 April 2026*) on their behalf.
- You'll need to monitor your team's requests for ALU because:
 - There is currently no limit built into the system to control the total number of ALU days an individual can apply for. You may wish to keep a local record of approved ALU requests. The maximum leave 'entitlement' (incl. ALU) in the leave year is six weeks.
 - ALU days will not be recorded in an individual's Annual Leave card on PSP, in the same way that Special Leave Unpaid works.

Resource planning will need extra care for 2026/27 because:

- ALU days are not recorded in an individual's Annual Leave card on PSP.
- An employee can apply for ALU at any time during the year. ALU should be considered as part of overall leave entitlement and allocated in line with local agreements.
- You **have to** accommodate ALU applications up to an employee's individual limit.
- ALU days **have to** be input to PSP using the appropriate code, in the same way that normal annual leave or Special Leave are input. If this is not done PSP will assume the employee is at work.

More information:

- [Time off work procedure](#)
- [Link to ALU FAQs](#)