

Checklist: The Fair Work Agency and the holiday record-keeping duty



Produced in partnership with [Juliet Irving, Director of HR Operations from Impact HR](#), this checklist is designed to help small and medium-sized employers get to grips with the Fair Work Agency and the holiday record-keeping requirement that both came into force in April 2026.

You can use this checklist as a practical starting point, but remember it's always sensible to take HR or legal advice on your own circumstances, especially if you are reviewing holiday pay, annual leave, records, contracts, payroll processes or wider employment records. Juliet and the team at [Impact HR](#) are happy to help.

Inform the business

- ☐ Make sure senior leaders, managers, HR and payroll understand that from 6 April 2026 there is a legal requirement to keep adequate annual leave and holiday pay records for at least six years.
- ☐ Make sure the business also understands that the Fair Work Agency began operating on 7 April 2026 and can inspect workplaces, request evidence and take enforcement action where there is non compliance.
- ☐ Set expectations internally by explaining that this is not just an admin task. It is part of a wider shift in employment law enforcement under the Employment Rights Act 2025.
- ☐ Check that managers understand record-keeping rules and apply them consistently across teams and departments.



Check your records

- ☐ Check that all existing and future records show holiday taken, holiday carried over, holiday pay, and any payment in lieu of untaken holiday when employment ends.
- ☐ If holiday pay includes variable elements such as overtime, commission or bonuses, keep records showing how those calculations were worked out.
- ☐ Ensure that holiday is being recorded in real time, rather than being updated later from memory.
- ☐ Make sure that your records cover full-time employees, part-time employees, casual workers, zero hours workers, irregular hours workers and part-year workers where they are entitled to statutory holiday and holiday pay.

Review how holiday pay is being calculated

- ☐ Check that holiday pay calculations are consistent across HR, payroll and managers, rather than being done differently by different people.
- ☐ Review how you calculate holiday pay for workers with overtime, commission, bonuses or changing working patterns.
- ☐ Make sure your payroll settings, formulas and manual processes are up to date and reflect how your business actually works in practice.
- ☐ Check that other leave entitlement and pay calculations are correct too, such as wages, sick leave, sick pay (including both enhanced and statutory sick pay), family leave and family pay. And make sure you're keeping accurate records of these too.

Store records in one secure and accessible place

- ☐ Make sure annual leave records, holiday pay records, contracts, written statements, policies and supporting employment records are stored together in a secure central place.
- ☐ Use a digital system like Breathe HR that makes it easy to access records quickly if they are requested, rather than relying on paper files, desktop spreadsheets or disconnected folders.

Review contracts, written terms and policies

- ☐ Check that contracts and written statements clearly set out worker status, pay, hours, holiday entitlement and any key rules that affect holiday calculations.
- ☐ Review holiday, absence and working time policies to make sure they explain what employees and workers should expect.
- ☐ Make sure policies support your day-to-day processes rather than contradict them.
- ☐ If there are any other mismatches between what your documents say and what actually happens in practice, treat them as a priority risk to fix.



“For small businesses, this is really about getting your basics right. Think accurate holiday records, correct holiday pay, clear contracts, up-to-date policies, and confidence that you could show your workings to the Fair Work Agency if ever asked.

Making sure all employee and holiday records are being stored together in one central place is a great place to start.”



Juliet Irving, Director of HR Operations, Impact HR

Need a hand putting all this into action?

The Fair Work Agency and the holiday record-keeping duty have raised the bar on accurate records, clear processes and being able to evidence compliance quickly.

Breathe can help by bringing together annual leave tracking, employee records, document storage, policy access and acknowledgements in one secure place, making it easier for small businesses to keep accurate records and stay organised as employment rights enforcement grows.

→ Explore Breathe

For expert HR and employment law support, contact Juliet and the team at Impact HR at juliet.irving@impacthr.co.uk, or visit the [Impact HR website](#).

You can also find more free employment law resources on the [Breathe Employment Law Hub](#).