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Paid leave, Sick leave and Overtime

HOTREC Survey

October 2025

In October 2025, HOTREC has gathered input from members on paid leave, sick leave and overtime. In a sector like hospitality, that implies varying working hours, it is essential to know what the conditions for practicing overtime at national levels are and whether employees continue to accumulate paid holiday during a period of sick leave. Although, as a general overview, most countries are practicing similar actions regarding these aspects, there are some specific cases, where differences can be noticed.

This document highlights the major trends identified from data received from 11 national associations and will analyse two main aspects: **Overtime and paid leave**, and **paid leave and sick leave**. Replies to the full survey are available [here](#).

Overtime and paid leave

Regarding the calculation of **overtime**, the first question focused on whether **paid annual leave counts as "working time" when determining if an employee has exceeded the legal threshold for overtime pay**. On this matter, half of the countries reacting to the survey (the Netherlands, Portugal, Ireland, Romania and Belgium) agree that paid annual leave is not considered actual "working time" when calculating whether an employee has exceeded the threshold for overtime.

In the situation of **Sweden**, there is a partial exception. In the Swedish law, leave covering regular working hours is equated with working time when determining overtime. Therefore, in case an employee has one day of holiday sick in one week of 40 working hours, and works more than 32 hours, those additional hours will be considered overtime.

In **Denmark**, whether paid annual leave counts as “working time” for overtime depends on the employment terms. For companies without a collective agreement, depending on the contract, any excess may be overtime if agreed. Under HORESTA’s collective agreement, paid leave does count, and if total hours (work + leave) exceed guaranteed hours, overtime pay applies.

The most significant divergence is seen in countries like Finland, Italy and Austria, where paid annual leave is treated as equivalent to working time in the calculation of overtime.

Finland uses a working time balancing model where leave hours (7.5/day) are added to actual worked hours to determine overtime over a three week and compensated at double pay if exceeding 120 hours.

Italy and **Austria** clearly consider paid annual leave as equivalent to working hours for the purpose of calculating overtime. In both countries, the hours exceeding the legal threshold will be considered overtime and compensated accordingly.

Ireland represents a unique case as it doesn’t have a statutory entitlement to overtime payment, this aspect being determined by contract, sectoral agreement or custom and practice. However, Ireland does not recognise paid annual leave as working hours.

In different EU Court of Justice rulings, **paid leave is not treated as “lost” for the purpose of threshold calculations that trigger overtime**. But a **margin of discretion remains** at the **national level** to define how exactly the calculation is made.

Paid leave and sick leave

In terms of the **second question**, which aims to determine **whether employees continue to accumulate paid holiday during periods of sick leave, either due to a non-occupational illness or an occupational illness or accident**, responses show general alignment with the jurisprudence of the EU Court of Justice, which allows rescheduling (i.e. reclaiming) leave days that overlapped with a valid sick-leave period. There are, nevertheless, exceptions.

Most countries, including Spain, the Netherlands, Ireland, Finland, Belgium, Austria, Romania, Sweden and Denmark, affirm that employees continue to accrue annual leave during sick leave, often with specific conditions or time limits. For instance, **Finland** allows accrual for 75 sick days and guarantees the EU minimum, while **Ireland** provides a 15-month carryover for leave missed due to illness, but in the case of not using them during this time, the accrued leave expires and resets.

In **Spain** and **Sweden**, if an employee falls ill during vacation, those days can be rescheduled, so they don’t lose vacation days. **Belgium** and **Romania** allow accrual during sick leave but in Belgium, it is limited to a specific period, while in Romania remains to the agreement between employer and employee. In **Denmark**, employees covered by the Danish Salaried Employee Act or HORESTA’s main collective agreement, accumulate paid holiday from the employer doing sick leave, no matter the cause of the leave.

Portugal, on the other hand, foresees the right to vacation only if the contract is active on the 1st of January, regardless of illness type. However, if the worker is absent for more than one year, the holiday accrual stops.

Nevertheless, for instance **Italy** does not grant accrual during sick leave under FIPE's collective agreement.