



## Statutory Maternity Pay and Statutory Paternity Pay - Factsheet

### Statutory Maternity Pay (SMP)

Employees expecting a baby are entitled to 26 weeks 'Ordinary Maternity Leave' and 26 weeks 'Additional Maternity Leave' as long as they have given you notice. However an employee's entitlement to Statutory Maternity Pay depends on how long they have worked for you and how much they earn. The employee must meet the below conditions to be entitled to SMP:

- Employed by you continuously for at least 26 weeks up to and into the 15<sup>th</sup> week before the baby is due (known as the qualifying week)
- Average weekly earnings equal to or above the lower earnings limit. (Currently £112 per week of £486 per month for 2014/15) The average weekly earnings are calculated from the employee's last two months earnings before the qualifying week.
- Supplied you with the correct evidence confirming the baby due date and sufficient notice of when she wishes to start her maternity leave.

Employees are entitled to:

- 6 weeks at 90% of their average weekly earnings
- Followed by 33 weeks at the lower rate SMP (currently £139.58 per week) or 90% of their average earnings if lower.

The employee will receive a MATB1 from the midwife / doctor confirming the baby due date. Please send us this form once received and we will calculate the employee's SMP entitlement.

Once we have received the MATB1 form we will calculate the employees entitlement to SMP. If they do not meet the qualifying conditions we will issue an SMP1 'Why I cannot pay you SMP' as they may be able to claim Maternity Allowance instead directly from Jobcentre Plus.

Employees on maternity leave can work up to ten days during their maternity pay period without losing their entitlement to SMP, known as Keeping in Touch Days (KIT) The days worked and amount paid to be mutually agreed between the employee and employer. Any days worked in addition to the 10 KIT days while the employee is receiving maternity pay the employee will lose their entitlement to SMP for that week.

All employers are entitled to claim back 92% of SMP paid back from HM Revenue & Customs. This is reduced from your monthly PAYE payments, we will advise you of your monthly PAYE liability including the amount you can claim back. Small employers with an annual National Insurance liability of £45,000 or less can claim back 103% of SMP paid, this includes compensation for employers NI due on the SMP payment.

For more information on maternity leave and pay please see below weblink

<https://www.gov.uk/maternity-pay-leave/overview>

## **Statutory Paternity Pay (SPP)**

An employee may be entitled to paternity leave and pay if they have responsibility for the baby's upbringing, are taking time off to support the mother or care for the baby and are either the baby's biological father or mother's husband / partner. To be entitled to receive Statutory Paternity pay the employee must meet the below conditions:

- Employed by your continuously for at least 26 weeks up to and into the 15<sup>th</sup> week before the baby is due (known as the qualifying week)
- Average weekly earnings equal to or above the lower earnings limit (Currently £112 per week of £486 per month for 2014/15)
- Continue to work for you until the date the baby is born

Your employee should tell you they wish to take paternity leave by the 15<sup>th</sup> week before the baby due date and give you 28 days notice of when they wish for their paternity leave to start.

Employees are entitled up to 2 weeks paid at the current SPP rate (£139.58 per week for 2014/15) or 90% of their average weekly earnings if lower within 56 days of the date of the baby's birth. If the employee wishes to take 2 weeks they must be taken together and can not be separated or take odd days.

To be able to pay SPP the employee must complete the SC3 declaration stating the baby due date, how many weeks they wish to take and when they wish for the paternity leave to start.

All employers are entitled to claim back 92% of SPP paid back from HM Revenue & Customs. This is reduced from your monthly PAYE payments, we will advise you of your monthly PAYE liability including SPP recovered. Small employers with an annual National Insurance liability of £45,000 or less can claim 103% of SPP paid, this includes compensation for employers NI due on the SPP payment.

For more information on Paternity leave and pay please see the below web link

<https://www.gov.uk/paternity-pay-leave/overview>

**The information contained in this factsheet must not be relied on as giving sufficient advice in any specific case.**