

## **Statutory Payments Consultation Group**

**Thursday 21 October 2010**

**13.30 - 15.45**

### **Present**

Marie-Claude Hemming (MCH) – FSB  
Jackie Petherbridge (JP) - FSB and PSPG  
Elaine Gibson (EG) – IPP  
Helen Harvey (HH) – Nanny Tax  
Marcia Brown (MB) - Payroll Alliance  
David Harris (DH)) – ICAEW

Graeme Young (GY) – HMRC  
Kate Wheeler (KW) – DWP  
Karen Haseldine (KH) - BIS  
Simon Clark (SC) – HMRC  
Nicola Dissem (ND) – BIS  
Peter Hopkins (PH) - HMRC  
Maggie Anderson (MA) – HMRC

### **Apologies**

Linda Pullen - Payroll Alliance  
Norman Green- BCS  
Simon Parsons -IREEN

### **1. Real Time Information Project (RTI)**

PH and MA briefed the group on the latest developments in this project. Amongst the points they made were:

- The project had received funding as part of the Comprehensive Spending Review settlement and would therefore continue.
- They were planning on a further consultation as early as November. This would be combined with a series of workshops with employers and other interested groups over autumn and winter.
- The expected benefits of RTI included better use of information in relation for example to tax credits, no need for movement procedures, improved debt management and removal of end of year procedures.
- They were looking at delivery within the current parliament and to fit in with DWP's plans for the Universal Credit.
- While centralised deductions was still an option any further changes to the PAYE system would only be considered once RTI had been introduced.

In relation to Statutory Payments (SPs) PH and MA confirmed they had been in discussion with DWP and BIS colleagues over how RTI might impact on SPs. KW commented that it could be used to obtain information they currently didn't know.

### **2. Additional Statutory Paternity Pay (ASPP)**

KH referred to the recent announcement confirming that ASPP was going ahead. BIS had now published ASPP guidance on Business Link and Directgov. SC confirmed that ASPP guidance had also recently been published on the HM Revenue & Customs (HMRC) site. The Statutory Payments Manual had been updated yesterday to include ASPP. SC was looking to provide an early copy of the E19 on the internet.

MB asked whether the father's employer could insist on seeing documentation from the mother's employer including for example the child's birth certificate. KH confirmed that the father's employer can insist seeing the child's birth certificate and the mother's employment details. However, the employer cannot require information from the mother's employer before paying ASPP. If employers had any doubts on the validity of any claims they should refer this to HMRC.

JP commented that there was the possibility that there could be overlaps between SMP and ASPP because of the way they were calculated. It was agreed that this was possible. SC commented that he was looking to provide various scenarios on the Learning Zone attached to the ASPP calculator.

**Action point 1 - SC to provide Consultation Group members with copies of these scenarios.**

EG asked about the situation where the mother returned to work and the father claims ASPP but the mother subsequently takes ill. Provided it was still within the qualifying period for SMP the mother would receive SMP while the father continued to receive ASPP. KW pointed out that as regards SMP that nothing had changed following the introduction of ASPP.

JP and MP asked about the interaction between maternity leave and annual leave. ND confirmed that employees cannot take annual leave during periods of maternity leave.

KH explained that the new coalition government were committed to reviewing the current arrangements for parental leave and pay. It was likely that a consultation document would be issued in due course on options for change.

### **3. EU proposals on maternity leave and pay**

ND referred to the European Parliament's vote within the last couple of days on changes to the Pregnant Workers Directive. The European Parliament's position is that mothers should receive 20 weeks maternity leave on full pay and fathers two weeks paternity pay again on full pay. The directive is subject to co-decision (both the European Parliament and the Council of Ministers (Member States) jointly decide). EP vote is the first stage in the negotiation. UK Government is one of a number of Governments resisting this change.

### **4. Statutory Payment Guidance**

SC explained that the helpbooks would be issued to the normal timetable. The E16 would only be issued electronically however as part of an initiative to save on printing costs - it was the least used SP helpbook. It was suggested that HMRC should look at the option of making booklets and forms available at the Post Office.

SC then went on to say that his team are to start a review of all SP guidance with a view to possibly rationalising where it was made available. For example guidance was currently spread across Business Link and HMRC sites and it may

make sense to bring all the guidance together in the one place. As part of this review SC was keen to hear views of Consultation Group members. EG offered to survey her members if this would be helpful.

JP suggested that HMRC should give greater thought as to how forms etc printed out so as to save employer costs. If forms could be condensed then this could potentially save costs.

## **5. Update on Stringer**

There was nothing further to report at this stage.

## **6. Comprehensive Spending Review**

There were no specific announcements effecting Statutory Payments.

## **7. SSP and Child Care Voucher Scheme**

EG raised a case where there was a clause in an employer's contract which stated that the employees would cease to qualify for the Child Care Voucher Scheme if they were off for more than four weeks. The general consensus was that there wasn't enough information to come to any conclusion although it may be connected with salary sacrifice arrangements.

On the issue of salary sacrifices the external members of the group said that the salary sacrifice guidance needed to be updated. It would be helpful to have a list of dos and don'ts. They were particularly concerned that the lack of up to date comprehensive guidance was being exploited.

EG said she had given feedback to Rob Cottam in BIS on a revision to the guidance on the treatment for NMW purposes of the £1 admin fee relating to attachment of earnings orders. She hadn't heard anything further.

**Action point 2 - GY to forward on the groups comments on the salary sacrifice guidance to the policy lead within HMRC and to write to Ron Cottam on the issue of the NMW guidance.**

## **8. Action points from previous meeting**

The majority of the action points had been cleared.

**Action point 6** - GY confirmed that the Employers CD-ROM was being replaced as from next February by a down loadable toolkit. This was being driven largely by costs as it was expensive to issue 2/3 CD-ROMs annually. Concern was expressed that not all employers have internet access. A suggestion was made that perhaps HMRC could charge for providing certain types of guidance. GY said he was not aware of any plans to do this and it would be extremely sensitive. HH made the point that there would be admin costs for HMRC.

## **9. Any other business**

The next meeting was scheduled for 20 January. A telecon would be arranged in early January to determine whether this meeting should be face to face. Possible dates for a meeting in April/May would be circulated.