

Pay and time off work for parents

E15(2006)
Employer Helpbook

An employer guide to

- Statutory Maternity Pay and Leave
 - Statutory Paternity Pay and Leave
- including new rates from 6 April 2006

Use from 6 April 2006

Help and further guidance

Help and further guidance about tax and National Insurance contributions (NICs) is available from the following sources:

The Internet

Log on to the HM Revenue and Customs (HMRC) website at www.hmrc.gov.uk/employers

Your Employer CD-ROM

Your Employer CD-ROM contains forms you can complete on screen. There is

- a **P11 Calculator** that you can save on screen. It works out the amount of tax and NICs due
- a P11D to help you report benefits in kind.

It has built-in calculators to help you work out:

- PAYE tax and NICs
- Car benefit and Car Fuel benefit
- Statutory Payments.

There is a Learning Zone to help you understand topics such as Statutory Maternity Pay, Statutory Paternity Pay and Student Loan deductions.

You will find a section designed to help new and less experienced employers understand what to do when employing someone for the first time.

By telephone

(We may record calls for quality and training purposes.)

New and inexperienced employers **0845 60 70 143**
Monday to Friday 08:00 - 20:00
Saturday and Sunday 08:00 - 17:00

More experienced employers **0845 7 143 143**
Monday to Friday 08:00 - 20:00
Saturday and Sunday 08:00 - 17:00

For enquiries about our Online services **0845 60 55 999**
Monday to Friday 08:00 - 22:00
Saturday and Sunday 10:00 - 18:00

Employers with hearing difficulties
Textphone **0845 602 1380**

You must have specialised equipment such as Minicom to use this service.

A full list of Helplines and opening hours is in your *Employer Bulletin* and on our website at www.hmrc.gov.uk/contactus/helplines.htm

In person

We have Business Support Teams countrywide who will help you understand

- what records to keep
- what returns to make
- when to send us information
- online filing and electronic payments.

We offer a range of **free** workshops on many topics relevant to employers.

For more information on the workshops and other ways that the Business Support Teams may help

- log on to our website at www.hmrc.gov.uk/bst or
- call the New Employer Helpline on **0845 60 70 143** and ask for details of your local Business Support Team.

Your HM Revenue & Customs office

Your own HM Revenue & Customs office can also help you. All our office contact details are on our website at www.hmrc.gov.uk/local/employers/index.htm

Please tell us your Employer reference which is on correspondence from your HM Revenue & Customs office.

If your enquiry is about one of your employees, you must tell us their National Insurance number.

Employer Helpbooks

Our Employer Helpbooks are designed to help you understand and operate PAYE, NICs and other payroll related matters.

The Helpbooks are for guidance only, they are not comprehensive and have no legal force.

We also have many other leaflets and booklets that give further guidance, for example

- CWG2(2006), *Employer Further Guide to PAYE and NICs*
- CWG5(2006), *Class1A NICs on benefits in kind*
- 480(2006), *Expenses and Benefits - a tax guide*

You can view, download and print the full range of Helpbooks, booklets and other forms and guidance from

- the Internet - log on at www.hmrc.gov.uk/employers
- your Employer CD-ROM.

Or you can get copies from the Employer Orderline in one of three ways:

- log on to our website at www.hmrc.gov.uk/employers
- fax **0870 2 406 406**
- phone **0845 7 646 646**

Forms and guidance in Braille, large print and audio

For details of employer forms and guidance in Braille, large print or audio call the Employer Orderline on **0845 7 646 646** and ask to speak to the Customer Service Team.

Yr Iaith Gymraeg

Ffoniwch **0845 302 1489** i dderbyn fersiynau Cymraeg o ffurflenni a chanllawiau.

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Information

Visits from HM Revenue & Customs

From time to time, our officers visit employers to see if their payroll is running smoothly. If we call on you we will ask to see your SMP/SPP records.

Getting it right

We want to help employers to pay the right Statutory Maternity Pay (SMP) and Statutory Paternity Pay (SPP). See the inside front cover for more information about the help that is available. Employers are required by law to pay SMP and SPP and penalties may be charged where an employer fails to make the right payments or gives wrong information to HM Revenue & Customs through fraud or negligence. You will not be penalised for making a mistake but if you realise that you have made a mistake you should contact your HM Revenue & Customs office for advice.

Maternity/Paternity rights and benefits

The Department of Trade and Industry publications, *Maternity Rights - a guide for employers and employees and Working Fathers - rights to paternity leave and pay* give information on these rights. The maternity publication also gives details of other booklets covering employment protection and related equal opportunities legislation. Available from www.dti.gov.uk/workingparents

Free confidential advice on employment law is available from the Advisory, Conciliation and Arbitration Service (Acas) at www.acas.org.uk or **0845 7 47 47 47**.

A Department for work and Pensions leaflet NI17A, *A Guide to Maternity Benefits, Statutory Maternity Pay and Maternity Allowance* is available for mothers who need more information on SMP or on Maternity Allowance (if they cannot get SMP). This also has details of other social security benefits and where to get more information. Go to www.dwp.gov.uk/advisers

This website also has details of other booklets covering social security benefits and some brief information on paternity.

Help for employees

Employees may want to

- contact any HM Revenue & Customs office,
- contact any Advisory, Conciliation and Arbitration Service (Acas) office (see www.acas.org.uk for details), or **0845 7 47 47 47** or in Northern Ireland contact the Labour Relations Agency (LRA) (www.lra.org.uk) or
- go to www.tiger.gov.uk
- go to www.dwp.gov.uk
- go to www.dsdni.gov.uk

Information on all aspects of employment legislation is also usually available from Citizens Advice Bureaux, low pay units, trade unions and other bodies.

A mother or father who is not entitled to SMP or SPP may be entitled to other government help. Please tell them to contact their local Jobcentre Plus or social security office.

Throughout this Helpbook further references to the Advisory, Conciliation and Arbitration Service (Acas) will be referred to as Acas see www.acas.org.uk and in Northern Ireland reference to Labour Relations Agency (LRA) see www.lra.org.uk will be referred to as LRA.

Employees and employers in Northern Ireland

Arrangements in Northern Ireland are similar to those in Great Britain, but there are differences in detail

- Northern Ireland has its own legislation covering SMP and SPP and maternity and paternity leave schemes
- the Incapacity Benefit Branch (IB), Castle Court, Belfast deals with social security claims. More information is available from www.dsdni.gov.uk or **028 9033 6000**
- the Department of Employment and Learning, publications *Maternity Rights - ER16* and *Paternity Leave and Pay - ER34* provide basic information on these rights. More information including employment protection legislation is available from www.delni.gov.uk

Free confidential advice on employment law is available from Labour Relations Agency (LRA) at www.lra.org.uk or telephone **028 9034 1442**.

Help on screen

For interactive SMP calculators that will help you calculate the amount of SMP to pay

- look on our website at www.hmrc.gov.uk/calcs/smp.htm or
- use the SMP calculator on your Employer CD-ROM

The Employer CD-ROM also has an interactive learning program that will take you step-by-step through the process of paying and recovering SMP and SPP. The programs are in the learning zone on your CD-ROM.

Terms and conditions

General

Pay

An **employee** is a person whose earnings attract a liability for employer's secondary and employee's primary Class 1 National Insurance contributions (NICs), or would if those earnings were high enough.

From 1 October 2006 there will be a change to the definition of employee. This change complies with the EC Ruling on Age Discrimination and means all employees whose week baby due date is on or after 1 October 2006, regardless of their age, may be entitled to SMP or SPP.

Whoever is liable to pay the employer's Class 1 NICs is the **employer**. There does not have to be a written contract.

Employees include office holders, for example, police officers, Members of Parliament, the judiciary and some company directors.

People who are classed as employed earners for Class 1 NICs liability, for example, agency workers, are also employees.

If you are not sure who is an employee and who is an employer for pay, contact your local HM Revenue & Customs office.

Leave

An employee is someone working under a contract of employment. The employer is the person who is employing them under that contract.

Office holders, for example, police officers, Members of Parliament, the judiciary and some company directors are not included as employees under legislation for leave purposes.

If you are not sure who is an employee and who is an employer for leave, contact Acas on **0845 7 47 47 47**, or in Northern Ireland contact the LRA or seek independent legal advice.

Statutory Maternity Pay (SMP)

This is a legal entitlement to a certain amount of pay to help a mother take time off around the time of birth. It lasts for up to 26 weeks.

- Expected week of confinement or childbirth (EWC) is now 'week baby due'.
- Qualifying week (QW) is now '15th week before the week baby due'
- Lower earnings limit (LEL) for National Insurance purposes is shown as an amount of money. The LEL is the minimum amount of earnings that an employee needs to qualify for benefits. For 2006-07 it is £84.
- Maternity Pay Period (MPP) becomes 'pay period'.

Ordinary Maternity Leave

This is a legal entitlement that allows a mother to take time off around the time of the birth. She is allowed to take up to 26 weeks. A mother does not have to qualify for SMP to get maternity leave. But most mothers will get both.

Additional Maternity Leave

This is a legal entitlement that allows most mothers to take a further 26 weeks unpaid leave so most mothers can choose to take up to one year in total. Further information can be obtained from DTI.

Statutory Paternity Pay (SPP)

This is a legal entitlement to a certain amount of pay to help a father take time off to care for a baby or support the mother in the first few weeks after the birth.

It is available to

- a biological father
- a partner/husband or civil partner who is not the baby's biological father
- a mother's female partner in a same sex couple.

Paternity Leave

This allows a father to take time off to care for a baby or support the mother in the first few weeks after the birth.

It is available to

- a biological father
- a partner/husband or civil partner who is not the baby's biological father
- a female partner in a same sex couple.

They can choose to have one or two whole weeks pay and leave. This must be taken in a single block. It must be taken by the 56th day after the date of birth. If the baby is born early it can be taken any time between the actual date of birth and the end of an eight week period running from the Sunday of the week the baby was originally due.

For examples

- go to www.hmrc.gov.uk/employers
- look in the Learning Zone on your Employer CD-ROM.

New from 6 April 2006

SMP rates

Pay period started on or after 2 April 2006, the first Sunday in April.

- First 6 weeks of payment at 90% of average weekly earnings, then
- the lower of
 - 90% of average weekly earnings, or
 - £108.85.

SPP rates

Pay period started on or after 2 April 2006, the first Sunday in April.

- Pay the lower of
 - 90% of average weekly earnings, or
 - £108.85.

Terms and conditions *continued*

Civil Partnership Act

The Civil Partnership Act 2004 came into effect on 5 December 2005. The Act gives same sex couples in the UK the opportunity to acquire a legal status for their relationship. Couples who register as civil partners will gain a package of rights and responsibilities reflecting those already available to married couples. For the purposes of SMP/SPP entitlement, this means that from 5 December 2005 exactly the same rules will apply to married couples and civil partners.

Definition of Employee

From 1 October 2006, there will be a change to the definition of employee which will also include all persons under age 16. This change complies with the EC Ruling on Age Discrimination.

Employment Rights

Mothers have a legal right to

- paid time off for ante-natal care
- special health and safety protection when they are pregnant, have given birth recently or are breast feeding
- protection against unfair treatment or dismissal
- return to work.

Dismissing someone because she is pregnant, or because they take or seek to take maternity or paternity leave, is automatically 'unfair dismissal'.

Treating a woman unfairly on grounds of pregnancy or maternity leave is sex discrimination.

The DTI publications, *Maternity Rights - a guide for employers and employees* and *Paternity Leave and Pay* give information on these rights. The maternity publication also gives details of other booklets covering employment protection and related equal opportunities legislation.

Available from www.dti.gov.uk/workingparents

For further information on employment rights, contact Acas, or in Northern Ireland contact the LRA.

Information on all aspects of employment legislation is also usually available from accountants, Citizens Advice Bureaux, employer organisations, low pay units, trade unions and other private and voluntary sector bodies.

Pay

As you work through the terms and conditions, if you decide that your employee is not entitled to SMP or SPP you will be told to issue a form. This will explain to your employee why you cannot pay them and what they need to do to get other Government help. It is important that you give them this form as soon as possible to help them with their claim. If your employee disagrees they can ask us to give a formal decision. If this happens we will give you more information at the time.

Leave

If there is disagreement between you and your employee about their entitlement to leave, you will want to discuss it together first. You will probably also find it helpful to contact Acas or in Northern Ireland contact the LRA. Ultimately, if the dispute continues, your employee may want to take the case to an employment tribunal.

What can my employee get?

Statutory Maternity Pay (SMP) and maternity leave

To work out if your employee is entitled to SMP and maternity leave - look at the date the baby is due, **not** the date the baby is born. To work out how much to pay from 2 April 2006 (this is the first Sunday in April), look at when the pay period started.

Statutory Paternity Pay (SPP) and paternity leave

SPP and paternity leave may be due to someone who is

- a biological father
- a partner/husband or civil partner who is not the baby's biological father
- a female partner in a same sex couple.

We have used 'father', 'he', 'him' and 'his' throughout this Helpbook when talking about people who can get SPP and paternity leave. When you work out if your employee is entitled - look at both the date the baby is due and the date the baby is born.

Special cases

For anything listed below use the Employer Helpbook, E15(Supplement)(2006). If in doubt call the Employer Helpline on **0845 7 143 143**.

- Agency workers
- Casual employees
- Mariners.

If you have any doubts about employee status

- for pay - contact your HM Revenue & Customs office and ask for the Status Inspector
- for leave - contact Acas or in Northern Ireland contact the LRA.

Forms you might need to use

Statutory Maternity Pay (SMP)

- Form MAT B1, *Maternity Certificate*

The expectant mother will give you this form to confirm that she is pregnant. You must **not** pay SMP without it or similar evidence.

The form will be signed by a doctor or midwife and issued after the 20th week of pregnancy.

- Form SMP1, *Why I cannot pay you SMP*

Use this form to tell your employee she is not entitled to Statutory Maternity Pay.

Form SMP1, *Why I cannot pay you SMP*, is available from

- Jobcentre Plus or social security office - in your phone book, or
- go to www.dwp.gov.uk/lifeevent/benefits/statutory_maternity_pay.asp in Northern Ireland go to www.dsdni.gov.uk
- Form SMP2, *Statutory Maternity Pay record sheet*
Use this form to keep a record of Statutory Maternity Payments.

Statutory Paternity Pay (SPP)

- Form SC3, *Becoming a parent*

Use this form to tell your employee about the terms and conditions relating to SPP. It includes a tear-off statement for your employee to tell you about dates and leave, with a declaration. You must have this declaration before you can make payments.

- Form SPP1, *Why I cannot pay you SPP*

Use this form to tell your employee he is not entitled to SPP.

- Form SPP2, *Statutory Paternity Pay record sheet*

Use this form to keep a record of statutory paternity payments and any changes in dates.

All the other maternity and paternity forms are available from

- the Employer CD-ROM
- the Orderline call **0845 7 646 646**
- our website www.hmrc.gov.uk/employers

You can use your own version of any of the forms, except form MAT B1. See the next page.

Using your own versions of the maternity and paternity forms

You can produce your own computerised or paper versions of these forms. There is no formal approval process.

Why I cannot pay you SMP, form SMP1

It must include

- your employee's name, address and National Insurance number
- the reason why you think you cannot pay Statutory Maternity Pay (SMP), or
- if you have made some payment, but don't think you should make any more
 - the total number of weeks you have paid or think you should pay
 - the reason why you have not paid
 - the date you stopped paying.

It will help your employee if you also include information about what she should do

- if she disagrees with your decision
- to claim Maternity Allowance.

Statutory Maternity Pay record sheet, form SMP2

It must include

- your employee's name and National Insurance number
- a record of the payment dates and the amount paid
- the date the SMP pay period began
- a record of any weeks, in the 26 week period when SMP wasn't paid, with reasons.

You may also find it helpful to record

- the week baby due
- the 15th week before the week baby due
- the date of birth
- the date your employee told you she planned to start her maternity leave
- the date she planned to start her maternity leave
- if your employee changed her mind, when she told you the new date she wanted to start her leave, and the new date.

Becoming a parent, form SC3

It must include your employee's name and National Insurance number and a declaration that they

- intend to support the mother or care for the child, **and**
- have or expect to have responsibility for the upbringing of the child, **and**
- are either
 - the baby's biological father, **or**
 - married or in a civil partnership with the baby's mother, **or**

- living with the mother in an enduring family, relationship, but are not an immediate relative.

It must also include

- the expected date of birth, and in cases where the baby has been born, the date of birth
- the date from which the employee wants to be paid Statutory Paternity Pay (SPP)
- whether the employee wants to be paid one week or two.

Why I cannot pay you SPP, form SSP1

It must include

- your employee's name, address and National Insurance number
- the reason why you think you cannot pay SPP, or
- if you have made some payment, but don't think you should make any more
 - the reason why you have not paid
 - the date you stopped paying.

It will help your employee if you also include information about what he should do

- if he disagrees with your decision
- to claim other Government help.

Statutory Paternity Pay record sheet, form SPP2

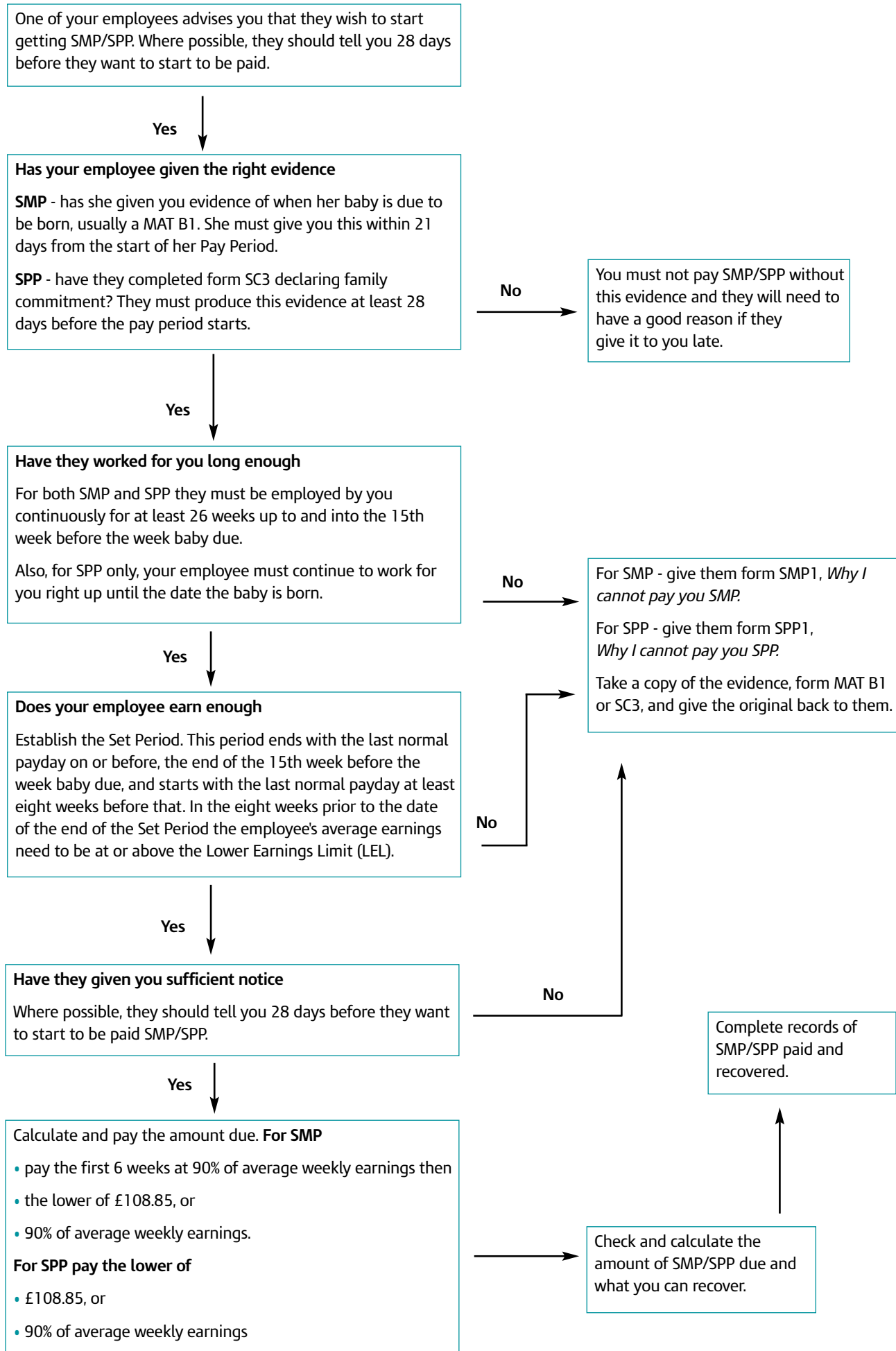
It must include

- your employee's name and National Insurance number
- a record of the payment dates and the amount paid
- the date the SPP pay period began
- a record of any unpaid SPP, with reasons.

You may also find it helpful to record

- the week baby due
- the 15th week before the week baby due
- the date of birth
- the date your employee told you he planned to start his paternity leave
- if your employee changed his mind, when he told you the new date he wanted to start his leave, and the new date.

Flowchart - Operating the SMP/SPP schemes



Terms and conditions for MOTHERS

Evidence for entitlement

Proof of pregnancy

Your employee must produce medical evidence of pregnancy to get Statutory Maternity Pay (SMP). You can allow leave without medical evidence. The medical evidence is usually the *Maternity Certificate*, form MAT B1. But you can accept any document, signed by a doctor or midwife, that includes the date the baby is due. (The MAT B1 is only available from 20 weeks before the week the baby is due.)

Mother gives medical evidence

Go to page 16 for 'Has your employee worked for you long enough?'

Mother does not give medical evidence

Tell the mother that you cannot pay her without the medical evidence and she will need a good reason if she gives it to you too late.

Time limits

The time limit for producing medical evidence for pay is 21 days from the start of the SMP pay period. If there is a good reason for the evidence being produced late you must accept it, provided the evidence is produced by the end of what would be the 13th week of the SMP pay period.

Length of employment

A mother will get ordinary maternity leave no matter how long she has worked for you.

To get Statutory Maternity Pay (SMP) the mother must be employed by you continuously for a set period.

Find the date the baby is due in the table on pages 27 and 28. Then read across to the latest start date for employment with you. If she started work after that date she doesn't qualify - see the note below.

Employee has been employed long enough

Go to page 17 for 'Does your employee earn enough?'

Employee has not been employed long enough

Give her *Why I cannot pay you SMP*, form SMP1. Take a copy of the *Maternity Certificate*, form MAT B1, and give the original back to her.

Special cases

For anything listed below go to the page number shown or use the Employer Helpbook, E15 (*Supplement*)(2006) for the others. If in doubt call the Employer Helpline on **0845 7 143 143**.

- Baby born more than 15 weeks before due date, see page 16. A table showing 15th week dates is on pages 27 and 28.
- Employee leaves job after the start of the 15th week before the week baby due, see page 17. A table showing 15th week is on pages 27 and 28.
- Employee works abroad.
- Supply teachers, seasonal workers, agency workers or other sporadic employment.
- Reinstatement during the set period
 - after unfair dismissal
 - after service in the Armed Forces.
- Breaks in employment during the set period because of
 - trade dispute
 - temporary cessation of work
 - sickness or injury
 - previous pregnancy
 - adoption
 - parental leave.

Terms and conditions for **MOTHERS** (continued)

Has your employee earned enough?

What counts as earnings

Earnings do not affect maternity or paternity leave.

Use the amount before deductions such as PAYE, NICs and pension contributions

Include

- Payments which are earnings for Class 1 National Insurance contributions. (Your employee does not have to have paid NICs.)
- All earnings paid in the period, including money earned outside the period, such as holiday pay, overtime, bonuses and back-dated pay rises.
- Statutory Sick Pay
- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Adoption Pay.

Statutory Maternity Pay (SMP)/Statutory Paternity Pay (SPP) depend on your employee's average weekly earnings in a set period. Generally, the set period is no less than eight weeks, but there are some special cases, see page 11. Always round up fractions of a penny when you work out 90% of your employee's average weekly earnings. When you work out how much you pay, look at when the pay week began.

If you are in any doubt, or your employee disagrees with your decision, you must work through the detailed check on pages 14 and 15.

For help on screen go to www.hmrc.gov.uk/calcs/smp.htm for an interactive SMP calculator or have a look at your Employer CD-ROM where you will find a calculator and a learning program to help you understand your SMP responsibilities.

When should your employee give you dates for pay and leave?

Leave/Pay

Your employee should tell you when she expects to stop work by the Saturday of the 15th week before the week baby due (use tables on pages 27 and 28). You should confirm the date in writing including when you expect her back. (See sample letter on page 12 or on the Employer CD-ROM.)

This notice can also apply for pay.

You should accept any delay in giving notice if the employee has good reason.

Notice can be given

- personally
- by someone else
- by post.

Choosing dates

Your employee has the right to choose when she wants to start maternity leave. But the date can't be more than 11 weeks before the week baby due. (Use the table on pages 27 and 28).

Maternity Leave

If the mother doesn't choose to take the full leave entitlement she must give you 28 days notice of when she intends to start work again.

Employee does not give acceptable notice

Pay

If your employee didn't give you 28 days notice and she hasn't got a good reason for being late give her form SMP1, Why I cannot pay you SMP. Take a copy of the form MAT B1, Maternity Certificate, and give the original back to her.

Leave

You should discuss and agree a suitable start date with your employee. She may have had good reasons why she could not give you proper notice, and if so you should accept them. If not, you are entitled to insist on a notice period which suits you, although you cannot in any circumstances delay the start of leave beyond the birth.

Change of mind

Your employee can change her mind about the dates but should give you 28 days notice. You should confirm the new date in writing.

Terms and conditions for FATHERS

When should your employee give you dates for pay and leave?

Declaration of family commitment

Give the father form SC3, *Becoming a parent* which advises your employee of the terms and conditions relating to SPP and paternity leave.

It also has a tear-off slip for a declaration covering family commitment.

You must not pay SPP without a declaration, but you can allow leave without one.

If you consider that the employee has made a false declaration, you should contact your HM Revenue & Customs office for advice. They can investigate and, if appropriate, consider penalising the employee.

You must not ask for medical evidence of the pregnancy.

Father gives declaration

Go to the 'Length of employment' section below.

Father does not give declaration

Tell the father that you cannot pay him without the declaration and he will need a good reason if he gives it to you late.

Length of employment

The length of time the father must have worked for you to get Statutory Paternity Pay (SPP) and paternity leave is split into two.

Step 1.

- Find the date the baby is due in the table on pages 27 and 28
- follow the column across to the latest start date for employment with you. If he started work after that date he doesn't qualify - see the note below.

Step 2

If the father was working for you by the date in Step 1, then to get Statutory Paternity Pay (SPP) and leave he must continue to work for you right up until the baby is born. If the father stops working for you before the baby is born he is not entitled to pay or leave.

Employee has been employed long enough

Go to the 'Quick method' section on page 14.

Employee hasn't been employed long enough

Pay

Give him form SPP1, *Why I cannot pay you SPP*. Take a copy of the declaration on form SC3, *Becoming a parent*, and give the original back to him.

Leave

Tell him that he doesn't qualify for paternity leave. This doesn't have to be in writing and there is no special form.

Time limits

The time limit for producing evidence to get pay is 28 days before the start of payment. If there is a good reason for the evidence being produced late you must accept it, provided the evidence is produced by the end of the SPP pay period.

Leave/Pay

Your employee should tell you when he expects to stop work by the Saturday of the 15th week before the week baby due (use tables on pages 27 and 28).

This notice can also apply for pay.

- He must confirm the date of birth.
- You can ask for this in writing.
- You are not entitled to ask for evidence of the birth.

You should accept any delay in giving notice if the employee has good reason. Employers should allow sufficient flexibility of notice because of the possible differences between the expected date of birth and the actual date of birth.

Notice can be given

- personally
- by someone else
- by post.

Choosing dates

Your employee has the right to choose when he wants to take leave within a set period. Usually he can choose to take one or two whole weeks leave, but not two separate weeks, any time up to eight weeks after the date of birth.

Employee does not give acceptable notice

Leave/Pay

If your employee didn't give you 28 days notice and he hasn't got a good reason for being late you can delay the start of leave and the pay period until you have had 28 days notice. However, employers should allow sufficient flexibility of notice because of the possible differences between the expected date of birth and the actual date of birth.

Change of mind

Your employee can change his mind about the dates but should give you 28 days notice of his intended dates. Employers should allow sufficient flexibility of notice because of the possible differences between the expected date of birth and the actual date of birth.

Terms and conditions for FATHERS *(continued)*

When should your employee give you dates for pay and leave?

Special cases

For anything listed below go to the page number shown or use the Employer Helpbook, E15(*Supplement*)(2006), for the others. If in doubt call the Employer Helpline on **0845 7 143 143**.

- Baby born more than 15 weeks before due date, see page 16. A table showing 15th week dates is on pages 27 and 28.
- Employee gets regular payment earlier or later than normal, such as holiday pay or pay day changes because of a bank holiday.
- Employee paid at irregular intervals.
- Weekly paid employee without whole number of weeks in the set earnings period.
- Supply teachers, seasonal workers, agency workers or other sporadic employment.
- Change of employer in the set earnings period.
- Directors.
- Employees with more than one job.
- Earnings in relevant period covered in a back-dated pay rise.
- NHS Trust employees.
- Employee doesn't qualify and some of their earnings are included in a PAYE Settlement Agreement.

When should your employee give you dates for pay and leave?

Acknowledging your employee's notice for leave and for SMP

You must write to the mother within 28 days of the date she told you when she wants to take her maternity leave, to confirm

- the date she intends to stop work
- the date you expect her to return to work.

'Text A' if she is entitled to Statutory Maternity Pay (SMP) and 'Text B' if she is not entitled to SMP.

These letters are available on the Employer CD-ROM.

Text A

You are eligible for 26 weeks' Statutory Maternity Pay.

Your maternity pay will be £[insert amount] from [insert date] to [insert date] and £[insert amount] from [insert date] to [insert date].

As your employer I want to make sure that your health and safety as a pregnant mother are protected while you are working, and that you are not exposed to risk. I have already carried out an assessment to identify hazards in our workplace that could be a risk to any new, expectant, or breastfeeding mothers.

Now you have told me you are pregnant I will arrange for a specific risk assessment of your job and we will discuss what actions to take if any problems are identified. If you have any further concerns, following this assessment and specifically in relation to your pregnancy, please let me know immediately.

If you decide not to return to work you must still give me proper notice. Your decision will not affect your entitlement to SMP. If you have any questions about any aspect of your maternity entitlement please do not hesitate to get in touch with me.

Text B

You are not eligible for Statutory Maternity Pay.

The form SMP1 (enclosed) explains why you do not qualify for Statutory Maternity Pay (SMP). You may however be entitled to Maternity Allowance. Check the Department for Work and Pensions website www.dwp.gov.uk for more information or if you take this form to the Jobcentre Plus or social security office at [insert local details from the phone book], they will be able to tell you more. As your employer I want to make sure that your health and safety as a pregnant mother are protected while you are working, and that you are not exposed to risk. I have already carried out an assessment to identify hazards in our workplace that could be a risk to any new, expectant, or breastfeeding mothers.

Now you have told me you are pregnant I will arrange for a specific risk assessment of your job and we will discuss what actions to take if any problems are identified. If you have any further concerns, following this assessment and specifically in relation to your pregnancy, please let me know immediately. If you decide not to return to work you must still give me proper notice.

If you have any questions about any aspect of your maternity entitlement please do not hesitate to get in touch with me.

Does your employee earn enough?

How to work out the set period

The 'set period' is needed to establish the earnings to be used and the number of days, weeks or months to divide those earnings by. All earnings paid in the 'set period' will be divided by the number of days, weeks or months in that 'set period'.

Regulations define the 'set period' as the period between:

Date 1 the last normal pay day on, or before the Saturday of the Qualifying Week (QW), this is the 15th week before the week baby due. This pay day will be **Date 1** and is the end of the 'set period', and

Date 2 find the last normal pay day falling not less than eight weeks before the pay day at **Date 1**. **Date 2** will be the day after this pay day and is the start of the 'set period'.

You should include all the earnings paid on, or after **Date 2**, up to and including those paid on **Date 1**.

The 'set period' ends with the last normal pay day on or before the end of the 15th week before the week baby due and starts with the last normal pay day at least 8 weeks before that.

See the examples below on how to work out the 'set period' and average weekly earnings correctly.

Example - weekly paid employee

Employee paid every Friday

Date baby due 15/09/06

15th week before week baby due 28/05/06 to 03/06/06

Pay day at least 8 weeks before 02/06/06

Start of the set period - Date 2

Last pay day on, or before Saturday of the 15th week (end of set period - Date 1)

Pay days										
7/4	8/4	14/4	21/4	28/4	5/5	12/5	19/5	26/5	2/6	
Earnings										Total
		120.11	120.00	80.00	110.00	120.00	98.10	120.00	92.00	860.21

The set period is therefore from 8 April to 2 June 2006

Average weekly earnings - Total earnings £860.21 ÷ 8 = **£107.52625**

Do not round this average weekly earnings figure up or down to whole pence.

Example - monthly paid employee

Employee paid on the last working day of month.

Date baby due 15/09/06

15th week before week baby due 28/05/06 to 03/06/06

Payday at least 8 weeks before 31/05/06 (start of set period)

Start of the set period - Date 2

Last payday on, or before Saturday of the 15th week (end of set period - Date 1)

Paydays			
31/03/06	01/04/06	28/04/06	31/05/06
Earnings			Total
		685.75	723.55
			1409.30

The set period is therefore 1 April to 31 May 2006

Average weekly earnings - Total earnings = £1409.30 x 6 = £8455.80 ÷ 52 = **£162.61153**

Do not round this average weekly earnings figure up or down to whole pence.

Does your employee earn enough? *continued*

Quick method for calculating average weekly earnings

Babies due between 17 July 2005 and 15 July 2006

If your employee always earns less than £82 gross a week they will not qualify for Statutory Maternity Pay (SMP) or Statutory Paternity Pay (SPP). Go to the 'Employee doesn't earn enough' section below.

Babies due between 16 July 2006 and 14 July 2007

If your employee always earns less than £84 gross a week they will not qualify for SMP/SPP. Go to the 'Employee doesn't earn enough' section below.

Pay period starts on or before 1 April 2006

If your employee always earns more than the amounts shown above go to 'Employee earns enough' section below.

Pay period starts on or after 2 April 2006

If your employee always earns more than the amounts shown above go to 'Employee earns enough' section below.

If your employee sometimes earns more or less than £84 a week you must work out their average weekly earnings. Use the weekly check sheet below or the monthly check sheet on page 15.

Weekly paid - How to work out average weekly earnings

To work out average weekly earnings you must

- always use the set period - worked out using the check sheet
- only include earnings from the set period.

To work out average weekly earnings for employees paid in multiples of a week, for example, weekly, fortnightly or other multiple weekly if you do not pay your employees in a regular pay pattern

1 Find the date baby is due

2. Find the date of the Saturday in the 15th week before the week baby is due.
(Use the table on pages 27 and 28)

3. Find the date of the last normal pay day on or before that Saturday.
This is the last day of the set period.

4. Count back to the pay day at least eight weeks from the date in 3 and come forward one day, for example if the payday is 22 June, enter 23 June.
This is the first day of the set period.

5. Add together the earnings paid in between the dates at 4 and 3 (inclusive).

£	
---	--

6. Divide the figure at 5 by the number of whole weeks in the set period.
(Don't round up or down to whole pence here, use the unrounded amount to decide if your employee's earnings are high enough).

£	
---	--

Employee earns enough

If the amount at 6

- is at least £82 gross a week for babies due between 17 July 2005 and 15 July 2006
- is at least £84 gross a week for babies due between 16 July 2006 and 14 July 2007

go to page 9 for 'When should your employee give you dates for pay and leave?'

Employee doesn't earn enough

If from the amount at 6 they don't earn enough

- Mothers - give her *Why I cannot pay you SMP*, form SMP1. Take a copy of the *Maternity Certificate*, form MATB1, and give the original back to her.
- Fathers - give him *Why I cannot pay you SPP*, form SPP1. Take a copy of the declaration on *Becoming a parent*, SC3 and give the original back to him.

Does your employee earn enough? *continued*

Monthly paid - How to work out average weekly earnings – monthly paid

To work out average weekly earnings you must

- convert monthly pay into an average weekly amount
- always use the set period - worked out using the check sheet
- only include earnings from the set period.

To work out average weekly earnings for employees paid calendar monthly	
1 Find the date baby is due	<input type="text" value="/ /"/>
2 Find the date of the Saturday in the 15th week before the week baby is due. (Use the table on pages 27 and 28)	<input type="text" value="/ /"/>
3 Find the date of the last normal pay day on or before that Saturday. This is the last day of the set period.	<input type="text" value="/ /"/>
4 Count back to the pay day at least eight weeks from the date at 3 and come forward one day, for example, if the pay day is 22 June, enter 23 June. This is the first day of the set period.	<input type="text" value="/ /"/>
5 Add together the earnings paid in between the dates at 4 and 3 (inclusive). If there are more or less than 2 payments in the period - see Employer Helpbook E15(Supplement)(2006).	£ <input type="text" value=""/> <input type="text" value=""/>
6 Multiply the figure in 5 by 6.	£ <input type="text" value=""/> <input type="text" value=""/>
7 Divide the figure in 6 by 52. (Don't round up or down to whole pence here, use the unrounded amount to decide if your employee's earnings are high enough.)	£ <input type="text" value=""/> <input type="text" value=""/>

Employee earns enough

If the amount at 6

- is at least £82 gross a week for babies due between 17 July 2005 and 15 July 2006
- is at least £84 gross a week for babies due between 16 July 2006 and 14 July 2007.

go to page 9 for 'When should your employee give you dates for pay and leave?'

Employee doesn't earn enough

If from the amount at 6 they don't earn enough

- Mothers - give her *Why I cannot pay you SMP*, form SMP1. Take a copy of the *Maternity Certificate*, form MAT B1, and give the original back to her.
- Fathers - give him *Why I cannot pay you SPP*, form SPP1. Take a copy of the declaration on *Becoming a parent*, SC3 and give the original back to him.

Further conditions for MOTHERS

Baby born in or before the 15th week before due date

If the baby is born in or before the 15th week before the week baby due date, there are special rules for all four of the terms and conditions, see page 19.

Evidence - Mothers

Your employee should give you medical evidence of the date the baby was expected to be born as well as the actual date of birth.

This is usually the *Maternity Certificate*, form MAT B1. But you can accept any document signed by a doctor or midwife as long as a date or expected date is provided. You can also accept a birth certificate as evidence of the date of birth.

Your employee should give you the evidence within 21 days after the date of birth, or as soon as she can if this is not possible.

Does your employee earn enough?

If your employee has earnings, which vary from week to week, you must work out her average weekly earnings. This is because you must pay her 90% of the average weekly amount for the first six weeks. Use the weekly check sheet on page 14 or the monthly check sheet on page 15 but change Steps 1 and 2, as shown on this page.

Amendments to weekly and monthly check sheets on pages 14 and 15.

Step 1

Enter date of birth.

Step 2

Find the date of the Saturday before the date of birth.

Follow the rest of the steps.

When you decide whether your employee earns enough or not, compare the amount in 6 (weekly) or 7 (calendar monthly) with the amounts shown on page 14 depending on the date of birth.

When should your employees give you dates for pay and periods of leave?

The mother will not have been able to give you advance notice, but they must tell you the date of birth as soon as possible.

You should confirm when you expect her back, see sample letter on page 12 or on the Employer CD-ROM. If she doesn't choose to take her full leave entitlement she must give you 28 days notice of when she intends to start work again.

Start of leave and payment

Maternity leave and the SMP pay period start on the day after the date of birth. Your employee must give you evidence of the date of birth and the date the baby was due.

Baby born before intended start of leave

If the baby is born before the date the mother intended to start her leave, there are special rules for when your employee needs to give you evidence and when you start to pay. All the other terms and conditions apply, see page 8.

Evidence

Your employee should give you medical evidence of the date the baby was due and the date of birth. This is usually the form MAT B1, *Maternity Certificate*. You can accept a birth certificate as evidence of the date of birth.

Your employee should give you the evidence within 21 days after the date of birth, or as soon as she can if this is not possible.

Start of leave and payment

The maternity leave and SMP pay period starts on the day after the date of birth.

Stillbirth

If the baby is stillborn

- in or before the 24th week of pregnancy - no entitlement to SMP/SPP or maternity or paternity leave.

If the baby is stillborn

- in or after the 25th week of pregnancy but
 - more than 15 weeks before the due date, see above and page 19, or
 - before the mother intended to start her leave, see above
 - after the mother has started her leave, continue paying SMP.

If the baby is stillborn

- in or after the 25th week of pregnancy - the father is entitled to pay and leave. See 'Baby born before intended start of leave' above.

If a baby is born alive but later dies the mother and father will be entitled to SMP and SPP as for any other live birth. This is the case even if the child survives only for an instant. It is a live birth and you should apply the rules for a live birth.

Further conditions for **MOTHERS** *continued*

Pregnancy related illness

If the mother is off work sick because of her pregnancy and the absence continues into or starts within the four week period starting on the Sunday of the 4th week before the week baby due, see the table on pages 27 and 28. There are special rules for when her leave starts and when you start to pay.

The SMP pay period and her maternity leave start on the day after the first complete day of absence from work within the four week period. This may mean that you have to pay a mixture of wages and SMP at the beginning or end of the period.

If you're not sure whether the employee's absence is caused by her pregnancy contact your local HM Revenue & Customs office or the Employer Helpline for advice.

Employee leaves job after the start of the 15th week before week baby due

Your employee cannot get maternity leave if they have left their job but may still qualify for pay.

It doesn't matter why she left or that she isn't coming back – she is entitled to Statutory Maternity Pay (SMP).

If your employee starts work for a new employer before her baby is born, you are still liable to pay SMP.

However, if your employee starts work or returns to work after the baby is born, for an employer who did not employ her in the 15th week before the week baby due, your liability to pay SMP ends completely on the Saturday of the week before she starts work.

The employee is responsible for telling you if she starts or goes back to work for someone else after her baby is born. She must still give you evidence of pregnancy, see page 8.

There are special rules for when you start to pay. Find the date of the Sunday of the 11th week before the week baby due using the tables on pages 27 and 28.

If she leaves before that date the SMP pay period starts on that Sunday.

If she leaves after that date, unless the baby is born before the intended start of leave, or your employee has a pregnancy related illness, the SMP pay period starts on the Sunday after the last day your employee worked.

Does your employee earn enough?

Pay period starts on or after 2 April 2006

If your employee always earns £84 a week go to 'When should your employee give you dates for pay and leave' see page 9.

If your employee sometimes earns more or less than the amounts shown above you must work out their average weekly earnings. Use the weekly check sheet on page 14 or the monthly check sheet on page 15 but change Steps 1 and 2, as shown below.

If your employee earns between £82 or £84 a week - depending on the date of birth as shown on page 14, you must work out their average weekly earnings. Use the weekly check sheet on page 14 or the monthly check sheet on page 15 but change Steps 1 and 2, as shown below.

Amendments to weekly and monthly check sheets on pages 14 and 15.

Step 1

Enter date of birth.

Step 2

Find the date of the Saturday before the date of birth.

Follow the rest of the steps.

Further conditions for FATHERS

When should your employee give you dates for pay and leave?

When you decide whether your employee earns enough or not, compare the amount in 6 (weekly) or 7 (calendar monthly) with the amounts shown on page 14 depending on the date of birth.

When should your employees give you dates for pay and periods of leave?

The father will not have been able to give you advance notice, but he must tell you the date of birth as soon as possible.

He must still tell you when he wants to take his leave and pay and whether he wants to take one or two consecutive whole weeks off.

He can choose to take his leave any time between the actual date of birth and the end of an eight week period running from the Sunday of the week the baby was originally due. See the table on pages 27 and 28 to find the Sunday of the week the baby was originally due.

Your employee should give his declaration of family commitment, confirm the date the baby was due and the date of birth, on form SC3, *Becoming a parent*. You do not need a birth certificate or evidence of pregnancy.

Start of leave and payment

The SPP pay period always starts the day after the last day your employee worked before starting their paternity leave. Your employee must tell you when he wants to stop work, see above.

All the other rules on payment apply.

Baby born before intended start of leave

If the baby is born **before the date the father intended to start his leave** there are special rules for when your employee needs to give you evidence and when you start to pay.

All the other terms and conditions apply, see page 8.

Evidence

Your employee should give you his declaration of family commitment, confirm the date the baby was due and the date of birth on form SC3, *Becoming a parent*. You do not need a birth certificate or evidence of pregnancy.

Your employee should give you the evidence as soon as he can.

Start of leave and payment

The SPP pay period always starts the day after the last day your employee worked before starting their paternity leave. Your employee must tell you when he wants to stop work.

He can choose to take his leave any time between the actual date of birth and the end of an eight week period running from the Sunday of the week the baby was originally due. See the table on pages 27 and 28 for the Sunday of the week the baby was originally due.

Your employee cannot get paternity leave if they have left their job but may still qualify for pay, if they left after the baby was born.

All the other rules on payment apply.

FATHERS who leave before or during paternity leave

If the father stops work before the date of birth he is not entitled to Statutory Paternity Pay (SPP).

If the father stops work after the date of birth, it doesn't matter why he left or that he isn't coming back - he is entitled to SPP as long as he doesn't start work for a new employer during the SPP period.

The SPP pay period starts the day after the last day your employee worked. Your employee must have told you whether he wanted one or two weeks pay.

If the employment ends after the baby has been born but before the planned start of the SPP period, it is simplest to treat the SPP period as beginning on the day after the last day of employment. As the employee may choose when to begin their SPP period you may wish to confirm when they wish to start prior to them leaving your employment. But, if they leave to start work for another employer, they are not entitled to SPP from you if they worked for the new employer during the SPP period.

Special cases

For anything listed below go to the page number shown. If in doubt call the Employer Helpline on **0845 7 143 143**.

- Baby born more than 15 weeks before the due date, see page 16. A table showing 15th week dates is on page 27 and 28.
- Employee leaves job after the start of the 15th week before week baby due, see page 17. A table showing 15th week dates is on pages 27 and 28.

Paying Statutory Maternity Pay(SMP)/Statutory Paternity Pay(SPP)

Baby born in or before 15th week before due date

If the baby is born in or before the 15th week before the baby due date, there are special rules for all four of the terms and conditions, and for when you start to pay. (A table showing the 15th week dates is on pages 27 and 28).

If the mother doesn't meet any of these terms and conditions you must give her form SMP1, *Why I cannot pay you SMP*.

If the father doesn't meet any of these terms and conditions you must give him form SPP1, *Why I cannot pay you SPP*.

Has your employee worked for you long enough?

A mother will get ordinary maternity leave no matter how long she has worked for you.

Use the three steps below to check whether a father has worked long enough to qualify for SPP and paternity leave

Step 1

Find the date the baby was due in the table on pages 27 and 28.

Step 2

Read across to the latest start date for employment with you. If they started work after that date they don't qualify.

Step 3

If they started work before the latest start date, read across to the start of the 15th week before the week baby due. If they would still have been employed by you at that date, then they qualify.

Breaks in employment

If either the mother or father have had breaks in the time you have employed them which may affect whether they have worked long enough to qualify for pay and leave

- count part weeks of employment as full weeks
- check the Employer Helpbook, E15(*Supplement*)(2006), to see if you can ignore the breaks.

Tax and NICs on SMP/SPP paid after the employee has left work

For more information about deducting tax and National Insurance contributions and when to issue form P45, see booklet CWG2, *Employers Further Guide to PAYE and NICs*.

Mother/Father start working for a new employer

Check the Employer Helpbook, E15(*Supplement*)(2006), *Pay and time off work for parents - Special cases*, to see if you should stop paying.

Start of payment

SMP and SPP are weekly payments. They should be paid on the employee's next usual pay day on or after the last day of their pay week.

SMP pay weeks run from Sunday to Saturday unless

- the baby is born more than 15 weeks before the due date, see page 16
- the baby is born before the intended start date of leave, see page 16
- your employee has a pregnancy related illness, see page 17.

The SMP pay period usually starts on the Sunday after the last day your employee worked before starting their maternity leave. Your employee will have told you when she planned to stop work, see page 9.

The SPP pay period starts the day after the last day your employee worked before starting their paternity leave. Your employee will have told you when he planned to stop work, see page 10.

SMP and SPP should be paid in the same way as you would pay earnings for the same period. All the usual deductions apply, including PAYE tax and National Insurance contributions, except Attachment of Earnings Orders or Deductions of Earnings Orders for Child Support Agency (Arrestment of Earnings Orders in Scotland).

Employee is not returning to work

If your employee is not returning to work you **must** still pay them SMP or SPP.

You cannot ask them to repay it.

Stopping payment

SMP

Stops after 26 weeks, however, there are special cases where it might stop earlier, see the Employer Helpbook, E15(*Supplement*)(2006).

SPP

- Stops after one or two weeks - as chosen by your employee.
- Cannot be paid for any days later than the 56th day after the baby is born or, if the baby is born early, later than the 56th day after the Sunday of the week the baby was due.

Paying Statutory Maternity Pay(SMP)/Statutory Paternity Pay(SPP) *continued*

Special cases

For anything listed below go to the page number shown or use the Employer Helpbook, E15 (*Supplement*)(2006), for the others. If in doubt call the Employer Helpline on **0845 7 143 143**.

- Baby born more than 15 weeks before due date, see page 16. A table showing 15th week dates is on pages 27 and 28.
- Employee leaves job after the start of the 15th week before the week the baby is due, see page 17. A table showing 15th week dates is on pages 27 and 28.
- Baby is stillborn, see page 16.
- Employee has a pregnancy related illness in the last month of her pregnancy, see page 17.
- During the pay period
 - the employee works for you
 - the employee starts work for another employer
 - the employee is taken into legal custody
 - the employee is sick
 - the employee dies
 - the baby dies
 - you become insolvent.
- Paying through an agent.
- Non-cash payments.
- Employee has
 - more than one employer
 - more than one job with you.
- You pay paternity or maternity pay under an employee's contract of employment.

Recovering Statutory Maternity Pay (SMP) and Statutory Paternity Pay (SPP)

How much do I get back?

The amount you get back depends on your total gross, employers' plus employees', Class 1 National Insurance contributions in the appropriate tax year. You can use your form P35, Employer Annual Return, as a quick check of this.

Extract from P35.

See page 26 for a further extract of form P35

The image shows an extract from form P35 with the following fields and calculations:

NICs		Income Tax	
Total NICs shown above after deducting amounts marked R	1 £	Total Tax shown above after deducting amounts marked R	4 £
Totals from P35(CS) Continuation Sheets	2 £	Totals from P35(CS) Continuation Sheets	5 £
Total NICs 1 + 2	3 £	Total Tax 4 + 5	6 £
see Note 2		see Note 2	
		Advance received from HM Revenue & Customs to refund tax	7 £
		Total Tax 6 + 7	8 £
Combined amounts			
Total NICs and Tax 3 + 8	9 £		
Total Student Loan deductions	10 £		

A blue arrow points from the text 'See page 26 for a further extract of form P35' to field 1.

If your annual liability for Class 1 National Insurance contributions is **£45,000 or less** you are entitled to

- 100% of the Statutory Maternity Pay (SMP)/Statutory Paternity Pay (SPP), and
- an additional amount as compensation for the NICs you pay on the SMP/SPP. The compensation rate for payments made on or after 6 April 2006 is 4.5%.

Add together all payments of SMP/SPP made in the same tax months for which you are entitled to recover and calculate 100% plus 4.5% of that total figure.

If your annual liability for Class 1 National Insurance contributions is **more than £45,000** you are entitled to

- 92% of the SMP/SPP.

Add together all payments of SMP/SPP made in the same tax months for which you are entitled to recover and calculate 92% of that total figure.

If your annual liability for Class 1 National Insurance contributions is **either more or less than £45,000**, you will need to check whether it's £45,000, or less or more than £45,000.

- for babies due between 24 July 2005 and 22 July 2006, check your liability for 2004-05
- for babies due between 23 July 2006 and 21 July 2007, check liability for 2005-06.

Where does the money come from?

Use the money you have to pay over to HM Revenue & Customs

- PAYE tax
- National Insurance contributions
- Student Loan deductions
- Construction Industry Scheme deductions.

You may also need to use this money to pay statutory payments. Please make sure you have enough to cover all the payments you have to make, use the quick check below.

Special cases

For anything listed below use the Employer Helpbook E15 (*Supplement*)(2006). If in doubt call the Employer Helpline on **0845 7 143 143**.

- If you haven't been an employer for the whole of 2004-05 and 2005-06
- If you've paid paternity or maternity pay under an employee's contract of employment.

Recovering Statutory Maternity Pay(SMP) and Statutory Paternity Pay(SPP) *continued*

I wasn't an employer for the whole of 2004-05 and 2005-06

Check which tax year you need to look at depending on the baby's due date

- for babies due between 24 July 2005 and 22 July 2006, check your liability for 2004-05
- for babies due between 23 July 2006 and 21 July 2007, check your liability for 2005-06.

If you were an employer for the whole of that tax year and your annual liability for Class 1 National Insurance contribution (NICs) is £45,000 or less you are entitled to

- 100% of the SMP/SPP, and
- 4.5% as compensation for the NICs you pay on SMP/SPP.

If you were an employer for the whole of that tax year and your annual liability for Class 1 NICs is more than £45,000 you

- are entitled to 92% of the SMP/SPP, and
- have to fund 8% yourself.

Check sheet - If you weren't an employer for the whole of 2004-05 and 2005-06

1 Add together your total Class 1 NICs for the tax months in that year

£	
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2. Work out the number of tax months you were an employer in that year.
Count part months as whole months and remember that tax months run from the 6th of one month to the 5th of the following month.

--

3. Divide the figure in 1 by the figure in 2.

£	
---	--

4. Multiply the figure in 3 by 12.

£	
---	--

If the figure in 4 is £45,000 or less you are entitled to

- 100% of the SMP/SPP, and
- 4.5% as compensation for the NICs you pay on the SMP/SPP

If the figure in 4 is more than £45,000 you

- are entitled to 92% of the SMP/SPP, and
- have to fund 8% yourself.

Recovering Statutory Maternity Pay(SMP) and Statutory Paternity Pay(SPP) *continued*

Check sheet – if you weren't an employer at all in that tax year

1 Find the date baby is due	<input type="text" value="/ /"/>
2. Find the date of the Sunday in the 15th week before the week baby due. (Use the tables on pages 27 and 28)	<input type="text" value="/ /"/>
3. Identify the tax year in which the Sunday in the 15th week before the week the baby due falls.	<input type="text"/>
4. Identify the tax month before the Sunday in the 15th week before the week the baby is due. Remember that tax months run from the 6th of one month to the 5th of the following month.	<input type="text"/>
5. Add together your liability for Class 1 NICs between the start of the tax year you identified at 3, or the first tax month for which you were liable for Class 1 NICs, and the tax month you identified at 4, inclusive.	<input type="text" value="£"/> <input type="text"/>
6. Work out the number of tax months between the start of the tax year you identified at 3, or the first tax month for which you were liable for Class 1 NICs and the tax month you identified at 4, inclusive.	<input type="text"/>
7. Divide the figure in 5 by the number of days in 6.	<input type="text" value="£"/> <input type="text"/>
8. Multiply the figure in 7 by 12.	<input type="text" value="£"/> <input type="text"/>
If the figure in 8 is £45,000 or less you are entitled to	
<ul style="list-style-type: none">• 100% of the SMP/SPP, and• 4.5% as compensation for the NICs you pay on the SMP/SPP	
If the figure in 8 is more than £45,000 you	
<ul style="list-style-type: none">• are entitled to 92% of the SMP/SPP, and• have to fund 8% yourself.	

Recovering Statutory Maternity Pay(SMP) and Statutory Paternity Pay(SPP) *continued*

Advance funding from your Accounts Office

If you need to get the SMP/SPP back quickly, you can apply to your Accounts Office for payment. You can do this where, for example, the amount of money you need to pay out exceeds the amount you will have available for the same tax month or quarter.

You can ask your Accounts Office to pay you the amount you are entitled to recover. You should tell them the information set out below and ask for advance funding.

Recovery of SMP/SPP paid in a previous tax year

If you need to recover SMP/SPP for payments made in a previous tax year, you cannot claim this from your Accounts Office.

You should complete form SP32 to get it back. You can print these forms from the Employer CD-ROM or from www.hmrc.gov.uk/employers They can be obtained from your nearest HM Revenue & Customs office or from the Employer Orderline on **0845 7 646 646**.

Send the completed form SP32 to:

HM Revenue & Customs
National Insurance Contributions Office
Employers Teams 1 & 2
Refunds Group Contributor Group
Room BP1001
Benton Park View
Newcastle upon Tyne NE98 1ZZ.

A quick check to see if you need advance funding

Total amount of Statutory Maternity Pay (SMP)/ Statutory Paternity Pay (SPP) you can get back	A	£ <input type="text"/>
Amount of money you can get back for adoption/paternity (adoption) payments	B	£ <input type="text"/>
Total amount you need for a tax month or quarter (box A + box B) =	C	£ <input type="text"/>
PAYE tax	D	£ <input type="text"/>
National Insurance contributions (including those on SMP/SPP)	E	£ <input type="text"/>
Student Loan deductions	F	£ <input type="text"/>
Construction Industry Scheme deductions	G	£ <input type="text"/>
Total amount you will have available in the same tax month or quarter (total boxes D + E + F + G) =	H	£ <input type="text"/>

If H is less than C write to your Accounts Office to ask for an advance.
If you need any help call the Employer Helpline on **0845 7 143 143**.

Keeping records

Statutory Maternity Pay (SMP) for Mothers

You must keep

- the medical evidence of the pregnancy, form MAT B1, *Maternity Certificate* or other similar evidence, or a copy if you gave it back to your employee with form SMP1, *Why I cannot pay you SMP*
- a record of the payment dates and the amount paid
- the date the pay period began
- a record of any weeks in the 26 week period when SMP wasn't paid, with reasons
- form SMP2 *Record Sheet*, is available on the Employer CD-ROM or from the Orderline **0845 7 646 646** to help you keep a record of your payments.

You must also

- For each week or month that you pay SMP/SPP to your employee and also make a recovery, complete column 1g or 1h of your P11, *Deductions Working Sheet* or computerised equivalent, and include the SMP/SPP in the gross pay in column 2. If you operate the Simplified Deduction Scheme, record payments on your employee's form P12, *Deductions Working Sheet*. See extract below.

Statutory Paternity Pay (SPP) for Fathers

You must keep

- the declaration of family commitment or a copy if you gave it back to your employee with form SPP1, *Why I cannot pay you SPP*
- a record of the payment dates and the amounts paid
- the date the pay period began
- a record of any unpaid SPP with reasons
- form SPP2 *Record Sheet*, is available on the Employer CD-ROM or from the Orderline **0845 7 646 646** to help you keep a record of your payments.

Extract from P11

Contribution details						Statutory payments											
Total of employee's and employer's contributions - mark minus amounts 'R'						Statutory Sick Pay (SSP) paid to employee in the week or month included in column 2			Statutory Maternity Pay (SMP) paid to employee in the week or month included in column 2			Statutory Paternity Pay (SPP) paid to employee in the week or month included in column 2			Statutory Adoption Pay (SAP) paid to employee in the week or month included in column 2		
£	P	£	P	£	P	£	P	£	P	£	P	£	P	£	P		
1d		1e		1f			1g			1h			1i				

Extract from P12

- Record Statutory payments made to your employee each week or month on the *Working Sheet*, form P12 or computerised equivalent, if you operate the Simplified Deduction Scheme.

Total of employee's and employer's contributions payable		Employee's contributions payable		Pay Date		Statutory Sick Pay (SSP) paid to employee in the week or month included in Column 7		Statutory Maternity Pay (SMP) paid to employee in the week or month included in Column 7		Statutory Paternity Pay (SPP) paid to employee in the week or month included in column 7		Statutory Adoption Pay (SAP) paid to employee in the week or month included in column 7	
£	P	£	P		£	P	£	P	£	P	£	P	
1e		1e			2	3	4	5					

Keeping records *continued*

Extract from P14

- Enter the payments on your employee's form P14, End of Year Summary or computerised equivalent.

Statutory payments Included in the pay 'In this employment' figure below

Statutory Sick Pay (SSP) **1f** £ p

Statutory Maternity Pay (SMP) **1g** £ p

Statutory Paternity Pay (SPP) **1h** £ p

Statutory Adoption Pay (SAP) **1i** £ p

Pay and Income Tax details

Pay £ p

Tax deducted £ p

Student Loan Deductions in this employment (whole £1 only) From col.1j on P11 £

Further extract from P35

- Enter on your form P35, Employer's Annual Return, or computerised equivalent
 - the amount of funding
 - the amount of compensation.

see Note 4

Statutory Sick Pay (SSP) recovered **12** £

Statutory Maternity Pay (SMP) recovered **13** £

NIC compensation on SMP **14** £

Statutory Paternity Pay (SPP) recovered **15** £

NIC compensation on SPP **16** £

Statutory Adoption Pay (SAP) recovered **17** £

NIC compensation on SAP **18** £

Total of boxes 12 to 18 **19** £

92% or 100%

This could be '0' or 4.5%

Total of boxes 12 to 18 **19** £

Funding received from HM Revenue & Customs to pay SSP/SMP/SPP/SAP **20** £

19 minus 20 **21** £

11 minus 21 **22** £

see Note 5

What you get from HM Revenue & Customs

Extract from P37

- Enter on your employer's Annual Return, the details from your P12 and send completed forms with any deduction cards.

Send all the Deduction Cards, with this form, in the enclosed envelope

Making further payments

If you still have any tax or National Insurance contributions to pay, please make payment without delay.

Do not include payment with this form

If a payment is due, please use one of our recommended methods to pay direct to our Accounts Office. See your P30BC payslip booklet for instructions.

We charge interest on any amounts not received by 19 April

enclosed

the number of Deduction Cards enclosed is

Employer's signature

Date

A complete set of tables showing important dates for Statutory Maternity Pay and Statutory Paternity Pay and maternity/paternity leave

Baby due between 2 April 2006 and 28 October 2006

Week baby due		Start of 15th week before the week baby due		Latest start date for employment with you	Start of 11th week before the week baby due	Start of 4th week before the week baby due
Sunday	Saturday	Sunday	Saturday	Saturday	Sunday	Sunday
02/04/06	to 08/04/06	18/12/05	to 24/12/05	02/07/05	15/01/06	05/03/06
09/04/06	to 15/04/06	25/12/05	to 31/12/05	09/07/05	22/01/06	12/03/06
16/04/06	to 22/04/06	01/01/06	to 07/01/06	16/07/05	29/01/06	19/03/06
23/04/06	to 29/04/06	08/01/06	to 14/01/06	23/07/05	05/02/06	26/03/06
30/04/06	to 06/05/06	15/01/06	to 21/01/06	30/07/05	12/02/06	02/04/06
07/05/06	to 13/05/06	22/01/06	to 28/01/06	06/08/05	19/02/06	09/04/06
14/05/06	to 20/05/06	29/01/06	to 04/02/06	13/08/05	26/02/06	16/04/06
21/05/06	to 27/05/06	05/02/06	to 11/02/06	20/08/05	05/03/06	23/04/06
28/05/06	to 03/06/06	12/02/06	to 18/02/06	27/08/05	12/03/06	30/04/06
04/06/06	to 10/06/06	19/02/06	to 25/02/06	03/09/05	19/03/06	07/05/06
11/06/06	to 17/06/06	26/02/06	to 04/03/06	10/09/05	26/03/06	14/05/06
18/06/06	to 24/06/06	05/03/06	to 11/03/06	17/09/05	02/04/06	21/05/06
25/06/06	to 01/07/06	12/03/06	to 18/03/06	24/09/05	09/04/06	28/05/06
02/07/06	to 08/07/06	19/03/06	to 25/03/06	01/10/05	16/04/06	04/06/06
09/07/06	to 15/07/06	26/03/06	to 01/04/06	08/10/05	23/04/06	11/06/06
16/07/06	to 22/07/06	02/04/06	to 08/04/06	15/10/05	30/04/06	18/06/06
23/07/06	to 29/07/06	09/04/06	to 15/04/06	22/10/05	07/05/06	25/06/06
30/07/06	to 05/08/06	16/04/06	to 22/04/06	29/10/05	14/05/06	02/07/06
06/08/06	to 12/08/06	23/04/06	to 29/04/06	05/11/05	21/05/06	09/07/06
13/08/06	to 19/08/06	30/04/06	to 06/05/06	12/11/05	28/05/06	16/07/06
20/08/06	to 26/08/06	07/05/06	to 13/05/06	19/11/05	04/06/06	23/07/06
27/08/06	to 02/09/06	14/05/06	to 20/05/06	26/11/05	11/06/06	30/07/06
03/09/06	to 09/09/06	21/05/06	to 27/05/06	03/12/05	18/06/06	06/08/06
10/09/06	to 16/09/06	28/05/06	to 03/06/06	10/12/05	25/06/06	13/08/06
17/09/06	to 23/09/06	04/06/06	to 10/06/06	17/12/05	02/07/06	20/08/06
24/09/06	to 30/09/06	11/06/06	to 17/06/06	24/12/05	09/07/06	27/08/06
01/10/06	to 07/10/06	18/06/06	to 24/06/06	31/12/05	16/07/06	03/09/06
08/10/06	to 14/10/06	25/06/06	to 01/07/06	07/01/06	23/07/06	10/09/06
15/10/06	to 21/10/06	02/07/06	to 08/07/06	14/01/06	30/07/06	17/09/06
22/10/06	to 28/10/06	09/07/06	to 15/07/06	21/01/06	06/08/06	24/09/06

Continued over

Baby due between 29 October 2006 and 26 May 2007

Week baby due		Start of 15th week before the week baby due		Latest start date for employment with you	Start of 11th week before the week baby due	Start of 4th week before the week baby due
Sunday	Saturday	Sunday	Saturday	Saturday	Sunday	Sunday
29/10/06	to 04/11/06	16/07/06	to 22/07/06	28/01/06	13/08/06	01/10/06
05/11/06	to 11/11/06	23/07/06	to 29/07/06	04/02/06	20/08/06	08/10/06
12/11/06	to 18/11/06	30/07/06	to 05/08/06	11/02/06	27/08/06	15/10/06
19/11/06	to 25/11/06	06/08/06	to 12/08/06	18/02/06	03/09/06	22/10/06
26/11/06	to 02/12/06	13/08/06	to 19/08/06	25/02/06	10/09/06	29/10/06
03/12/06	to 09/12/06	20/08/06	to 26/08/06	04/03/06	17/09/06	05/11/06
10/12/06	to 16/12/06	27/08/06	to 02/09/06	11/03/06	24/09/06	12/11/06
17/12/06	to 23/12/06	03/09/06	to 09/09/06	18/03/06	01/10/06	19/11/06
24/12/06	to 30/12/06	10/09/06	to 16/09/06	25/03/06	08/10/06	26/11/06
31/12/06	to 06/01/07	17/09/06	to 23/09/06	01/04/06	15/10/06	03/12/06
07/01/07	to 13/01/07	24/09/06	to 30/09/06	08/04/06	22/10/06	10/12/06
14/01/07	to 20/01/07	01/10/06	to 07/10/06	15/04/06	29/10/06	17/12/06
21/01/07	to 27/01/07	08/10/06	to 14/10/06	22/04/06	05/11/06	24/12/06
28/01/07	to 03/02/07	15/10/06	to 21/10/06	29/04/06	12/11/06	31/12/06
04/02/07	to 10/02/07	22/10/06	to 28/10/06	06/05/06	19/11/06	07/01/07
11/02/07	to 17/02/07	29/10/06	to 04/11/06	13/05/06	26/11/06	14/01/07
18/02/07	to 24/02/07	05/11/06	to 11/11/06	20/05/06	03/12/06	21/01/07
25/02/07	to 03/03/07	12/11/06	to 18/11/06	27/05/06	10/12/06	28/01/07
04/03/07	to 10/03/07	19/11/06	to 25/11/06	03/06/06	17/12/06	04/02/07
11/03/07	to 17/03/07	26/11/06	to 02/12/06	10/06/06	24/12/06	11/02/07
18/03/07	to 24/03/07	03/12/06	to 09/12/06	17/06/06	31/12/06	18/02/07
25/03/07	to 31/03/07	10/12/06	to 16/12/06	24/06/06	07/01/07	25/02/07
01/04/07	to 07/04/07	17/12/06	to 23/12/06	01/07/06	14/01/07	04/03/07
08/04/07	to 14/04/07	24/12/06	to 30/12/06	08/07/06	21/01/07	11/03/07
15/04/07	to 21/04/07	31/12/06	to 06/01/07	15/07/06	28/01/07	18/03/07
22/04/07	to 28/04/07	07/01/07	to 13/01/07	22/07/06	04/02/07	25/03/07
29/04/07	to 05/05/07	14/01/07	to 20/01/07	29/07/06	11/02/07	01/04/07
06/05/07	to 12/05/07	21/01/07	to 27/01/07	05/08/06	18/02/07	08/04/07
13/05/07	to 19/05/07	28/01/07	to 03/02/07	12/08/06	25/02/07	15/04/07
20/05/07	to 26/05/07	04/02/07	to 10/02/07	19/08/06	04/03/07	22/04/07

