



Statutory Sick Pay Tables

**Use for days sick from
6 April 2001 to
5 April 2002 inclusive**

Important changes to this publication - see page 1 for details

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Important changes to this publication

Last year, Statutory Sick Pay Tables and Statutory Maternity Pay Tables were in one booklet, CA35/36. This year, there is a separate booklet for each. If your employee is pregnant and you need the Statutory Maternity Pay Tables, contact the Employer's Orderline on **0845 7 646 646** and ask for booklet CA36.

General information about Statutory Sick Pay

About this leaflet

This leaflet tells you the:

- weekly rate of Statutory Sick Pay which applies from 6 April 2001 **and**

It contains tables to help you work out:

- the daily rate of Statutory Sick Pay
- whether different spells of sickness link to form the same Period of Incapacity for Work (PIW) **and**

It also contains an example of how to work out:

- Statutory Sick Pay using form SSP33 **and**

You can get more copies of this leaflet from the Employers Orderline on **0845 7 646 646**.

When to start and stop using the tables

Use these tables from 6 April 2001.

Do not use these tables after 5 April 2002.

Use the new daily/weekly rate of payment when paying Statutory Sick Pay due for all Qualifying Days falling on or after 6 April 2001.

Rates of Statutory Sick Pay

Weekly rate of Statutory Sick Pay

A single rate of £62.20 per week is payable for days of incapacity for work for employees with average weekly earnings of £72.00 or more.

Disabled person's Tax Credit (DPTC)

DPTC helps people with an illness or disability to return to, or take up, work by topping up their earnings. There is a route to DPTC, called Fast-Track, which has been specially designed to help people who become long-term sick or disabled while they are in work.

You may want to bring the new DPTC Fast Track to the notice of your employees as a means of helping you to retain valued employees. To find out whether an employee of yours may qualify for DPTC you can ring the Employers' Helpline on **0845 7 143 143** or your employee can ring the Tax Credit Helpline on **0845 605 5858** or textphone **0845 608 8844**, the lines are open from 7.30 to 18.30 Monday to Friday.

In Northern Ireland, the Tax Credit Helpline is **0845 609 7000** or textphone **0845 607 6078**, these lines are open from 9.00 to 17.00 Monday to Friday.

Changes for the 2001/2002 tax year

At the time this leaflet was printed, changes in the rates of Statutory Sick Pay and Statutory Maternity Pay and percentages for recovery under Small Employers' Relief Scheme, and the Gross NIC level to qualify under the Scheme for the 2001/2002 tax year were still subject to Parliamentary approval. Should Parliamentary approval not be obtained, the Inland Revenue will inform you of any further changes before 6 April 2001.

Employers' Helpline

For the price of a local call, you can now telephone one number to obtain expert guidance on all aspects of National Insurance including Statutory Sick Pay and Statutory Maternity Pay, general PAYE inclusive of P11D, Tax Credits, Student Loan repayments and basic VAT registration.

Call now on 0845 7 143 143

The service is available for PAYE, TAX CREDITS AND STUDENT LOAN REPAYMENTS ENQUIRIES:

Monday to Friday from 8.00 to 20.00
Saturdays, Sundays and Bank Holidays from 8.00 to 17.00
(Except Christmas Day, Boxing Day and New Years Day)

Service is available for National Insurance, Statutory Sick Pay and Statutory Maternity Pay enquiries from Monday to Friday from 8.30 to 17.00

Customers with hearing and/or speech difficulties, who have a textphone, can call on 0845 7 419 402 - Monday to Friday from 8.30 to 17.00

Random calls are listened to or recorded for training purposes and maintaining standards. These tapes are erased after use. If you do not want to have your call recorded, please tell the operator. These procedures comply with OFTEL regulations.

Statutory Sick Pay Information

52 week linking letters

You need to be aware that if you employ a person who qualifies as a "Welfare to Work" beneficiary you must ensure that they hand you their "52 week" linking letter.

If they are a "Welfare to Work" beneficiary and they are sick at any time during the first 52 weeks that they work for you, Statutory Sick Pay cannot legally be due.

Any payment that you make to them if they are sick during that time will be wages and not Statutory Sick Pay.

If you do not normally pay wages during employees' sick absences you will need to treat any payment you make as an overpayment of wages and recover it from the employee in the appropriate way. For more information see paragraphs 24 and 35 in the *Statutory Sick Pay Manual for employers*, CA30, from April 2001.

Recovering Statutory Sick Pay

In certain circumstances you may be able to qualify for reimbursement under the Percentage Threshold Scheme. For more information, see pages 12 & 13 of this leaflet.

More information

More detailed information on operating the Statutory Sick Pay scheme is in the *Statutory Sick Pay Manual for employers*, CA30, from April 2001.

You can get copies of this manual from the Employers Orderline on **0845 7 646 646**. Calls will be charged at the local rate.

Things to tell us about

If this pack is addressed to the wrong person or your contact details change in any way throughout the next year, it is important to tell your PAYE Tax Office so that we can update our mailing lists.

If you do not, you may miss out on important information in the future.

Customer Service and Education

Business Support Teams throughout the country are available to give you advice on National Insurance, SSP and SMP. They can outline the help available to businesses and individuals on all National Insurance and PAYE issues, offering advice at no cost to you other than your time.

A wide selection of business advice workshops are available. They are suitable for new employers in their first year of trading or experienced employers who need help with a specific topic

If you wish to arrange a workshop, you can get in touch with the Business Support Team at your nearest Inland Revenue office. You will find their number in the telephone directory under 'Inland Revenue'.

There is also a special helpline available for new, and prospective, employers New Employers Support Initiative (NESI)

Telephone 0845 60 70 143
(calls charged at local rate)

Open 8am - 8pm Monday to Friday

We have a range of services for people with disabilities, including leaflets in Braille, audio and large print. For details please ask at your nearest Inland Revenue office or Enquiry Centre.

If you are unhappy with our service

If you are unhappy with any aspect of the service you have received from Inland Revenue, you should complain to the manager at the office you have been dealing with.

Leaflet IR120 *You and the Inland Revenue* gives full details of our complaint procedures. You can get this leaflet from any Social Security office, Inland Revenue Enquiry Centre, Citizens Advice Bureau and main libraries.

Statutory Sick Pay daily rates table

How to use the Statutory Sick Pay daily rates table

When calculating SSP for periods of more than a week, you must calculate each weeks' entitlement separately. See the following example:

Example

An employee has average weekly earnings of £125.

The qualifying days (QDs) in the weeks for which you are paying Statutory Sick Pay are Tuesday to Friday.

Your employee is sick from Monday 4 June 2001 to Thursday 21 June 2001, i.e. 18 days.

No waiting days (WDs) have yet been served.

Calculation

The average weekly earnings are at least equal to the lower earnings limit, currently £72.00, so Statutory Sick Pay is payable if all the other qualifying conditions are also satisfied.

The first day of incapacity, Monday 4 June is not a QD so no SSP is due. Tuesday 5 June to Thursday 7 June are waiting days. Statutory Sick Pay is not payable for those days so you must pay Statutory Sick Pay for only one day in the first week of sickness, i.e. Friday 8 June.

There are four qualifying days in each week, so now find '4' in the 'Number of QDs in week' column.

Then move across to the column headed by '1' for the number of days of sickness. This gives the amount of £15.55 Statutory Sick Pay you must pay for that week.

For the second week of sickness, you must pay Statutory Sick Pay for all four of the qualifying days, i.e. Tuesday 12 June to Friday 15 June.

Using the same method of calculation, find '4' in the number of QDs in the week column and '4' for the number of days of sickness, i.e. 4QDs x 4 days of sickness. This gives the amount of Statutory Sick Pay you must pay for that week, i.e. the full weekly rate of £62.20

The final week of sickness covers only three qualifying days, i.e. Tuesday 19 June to Thursday 21 June.

Again, the number of QDs is four. Using the table in the same way, move across to the column headed by '3', for the number of days of sickness. This gives us the amount, £46.65 of Statutory Sick Pay you must pay for the final week of sickness.

The total amount of Statutory Sick Pay you must pay for the whole period of sickness is therefore £124.40, (i.e. £15.55 + £62.20 + £46.65 = £124.40)

Statutory Sick Pay daily rates table

Unrounded Daily Rates*	No of QDs in week	1	2	3	4	5	6	7
£		£	£	£	£	£	£	£
8.8857	7	8.89	17.78	26.66	35.55	44.43	53.32	62.20
10.3667	6	10.37	20.74	31.10	41.47	51.84	62.20	
12.4400	5	12.44	24.88	37.32	49.76	62.20		
15.5500	4	15.55	31.10	46.65	62.20			
20.7333	3	20.74	41.47	62.20				
31.1000	2	31.10	62.20					
62.2000	1	62.20						

*Unrounded rates are included for employers with computerised payroll systems.

An example of how to work out Statutory Sick Pay using form SSP33

An example

An employee, Jane Gray, phones you on 14 May 2001 to tell you she sprained her ankle on the 13th. She does not think she will be back to work for a fortnight.

First, you must consider if the notification is in time.

Jane phoned on the first day she missed work, so notification is in time.

Secondly, do you think her incapacity is genuine? If you have good reason to suspect that her incapacity is not genuine, you can refuse to pay Statutory Sick Pay, but you must tell her why.

In this case, there is no reason to suspect the incapacity.

Part 2 - to be completed by the employer	
Notification and evidence of incapacity	
1 If notification is made later than your rules specify, or later than the 7th calendar day, and you consider there was no 'good cause' for the delay, you can withhold SSP. See paragraph 27 of CA30.	Was notification in time? Yes <input checked="" type="checkbox"/> <i>Go to step 2</i> No <input type="checkbox"/>
	How many days SSP are you withholding? <input type="text"/>
2 If you believe the incapacity is not genuine, you can refuse to pay SSP. See paragraph 31 of CA30.	Do you believe the incapacity is genuine? Yes <input checked="" type="checkbox"/> <i>Go to step 3</i> No <input type="checkbox"/> <i>Tell your employee why you will not be paying them SSP.</i>
SSP33 November 2000	1 ▶ please turn over

Next, check if she is sick for four or more calendar days in a row.

If Jane is still off sick on the 16th, she will have been sick for four calendar days in a row.

She is still off sick on the 16th.

Next, is there an earlier spell of sickness within the last eight weeks?

Jane's last spell of sickness ended on 2 March 2001. If you check your Statutory Sick Pay tables, this is more than eight weeks before 13 May 2001, so the two spells of sickness do not link.

Next, check that her average weekly earnings are not below the lower earnings limit. You usually use the eight weeks ending on the last payday before the Period of Incapacity for Work.

Can I pay Statutory Sick Pay?	
3 Check that the employee has been sick for 4 or more calendar days in a row, weekends, holidays and other days the employee would not normally work are included. Spells of sickness of 4 or more calendar days in a row are called Periods of Incapacity for Work (PIWs).	Has a PIW formed? Yes <input checked="" type="checkbox"/> <i>Go to step 4</i> No <input type="checkbox"/> <i>You should not pay SSP for any spell of sickness of less than 4 calendar days in a row.</i>
4 PIW's separated by 56 calendar days, that is 8 weeks, or less 'link' and are treated as one. See paragraph 21 of CA30 for more information. Use CA35 to check if the PIW links to a previous PIW.	Last day of previous PIW <input type="text" value="2"/> / <input type="text" value="3"/> / <input type="text" value="01"/>
	Do the PIW's Link? Yes <input type="checkbox"/> Check your records to see what you did at that time. If you: <ul style="list-style-type: none"> did not pay SSP, then you should not pay it now. Give the employee form SSP1 and note this on your SSP records. paid SSP, go to step 9.
	No <input checked="" type="checkbox"/> <i>Go to step 5</i>
5 There is a single weekly rate of SSP payable to all employees whose average weekly earnings reach or exceed the lower earnings limit. You can find the lower earnings limit for each year in the CA35. Please note your employee does not have to have paid National Insurance contributions on these earnings to qualify for SSP. For most employees, it will be obvious if their average weekly earnings reach or exceed this limit and you will not need to calculate their average weekly earnings. If you need to do the calculation, or are not sure, see paragraphs 45 to 52 of CA30.	Are their average weekly earnings less than the lower limit? Yes <input type="checkbox"/> <i>You should not pay SSP. Give the employee form SSP1 and note this on your SSP records.</i> No <input checked="" type="checkbox"/> <i>Go to step 6</i>

Form and text continue on page 6.

Jane's earnings are high enough.

Now check whether there are any reasons why Jane would not be entitled to Statutory Sick Pay.

None of the reasons apply.

Jane would not have a linking letter from the Benefits Agency (in Northern Ireland, the Incapacity Benefits Branch of the Social Security Agency) or form SSP1(L) from a former employer.

Jane is entitled to Statutory Sick Pay and you must now work out when to pay it.

Her normal working week is Monday, Tuesday, Wednesday and Thursday. Therefore, these have been agreed as her Qualifying Days.

The first three Qualifying Days in a PIW are waiting days.

The waiting days are Monday the 14th, Tuesday the 15th and Wednesday the 16th.

Statutory Sick Pay is payable from Thursday the 17th.

6 You cannot pay SSP if, on the first day of the PIW, the employee:

- is aged 65 or more
- has a contract of service for a specified period of 3 months or less
- is abroad outside the UK (unless you are still liable to pay employers' Class 1 NI contributions for them, or would be if their earnings were high enough)
- is away from work because of a trade dispute
- is in legal custody
- has not yet done any work for you, or
- is pregnant and the 18 week disqualifying period has begun.

See paragraphs 32 to 44 of CA30 for more information.

Do any of these apply?

Yes You should not pay SSP. Give the employee form SSP1 and note this on your SSP records.

No Go to step 7

7a Ask your employee if they have a linking letter, BF220, BF220A, BF220B or BF220C from the DSS Benefits Agency (DHSS Social Security Agency in Northern Ireland). If the employee has been employed by you for less than 52 weeks, ask the local Benefits Agency office if the employee recently claimed benefit and was given a linking letter BF220B and the date on the linking letter. See paragraph 35 of CA30 for more information.

Was the employee given a linking letter?

Yes Go to step 7b

No Go to step 8

7b Linking letters bear a date before which SSP is not payable. Check to see if the first day of the PIW is before this date. Any payment of SSP made to an employee who has continued entitlement to Incapacity Benefit (IB) will have been wrongly made. See paragraph 35 of CA30 for more information.

Is the first day of the PIW before the date on the letter?

Yes You should not pay SSP. Give the employee form SSP1 and note this on your SSP records.

No Go to step 8a

8a If the employee has been employed by you for less than 8 weeks, ask them if they have a form SSP1(L) from their old employer.

Does the employee have form SSP1(L)?

Yes Go to step 8b

No Go to step 9

8b Use CA35 to check if the gap between the first day of the PIW with you and the last day of SSP shown at Date 2 of form SSP1(L) is 56 days, that is 8 weeks, or less. See paragraph 21 of CA30 for more information.

Is the gap 56 days or less?

Yes Go to step 8c

No Go to step 9

8c Your maximum liability to pay SSP is reduced by the number of weeks shown on the form. Form SSP 1(L) has no other effect on the employee's PIW with you.

How many weeks are shown on the form?

If there are:

- 28 weeks, you should not pay SSP. Give the employee form SSP1 and note this on your SSP records.
- less than 28 weeks, go to step 9.

When do I start to pay?

9 SSP is only paid for qualifying days. It is not payable for the first 3 qualifying days in a PIW, which are known as waiting days. Qualifying days must be agreed between you and the employee, they are usually the days of the week that the employee is required to work under their contract. See paragraph 22 of CA30 for more information. Remember linked PIW's, see step 4, are treated as one. If the PIW links to a previous one, the 3 waiting days may have been served.

Circle agreed qualifying days

Sun Mon Tues Wed Thurs Fri Sat

Which is the first qualifying day after the 3 waiting days for which SSP is payable?

Thurs day Go to step 10

Jane has four Qualifying Days in a week. If you look up the Statutory Sick Pay tables, this gives the daily rate of £15.55.

You do not have an occupational sick pay scheme, and pay Jane her Statutory Sick Pay until she returns to work on 4 June 2001.

How much do I pay?

10 You will find the weekly rate in the CA35.

Number of qualifying days

The daily rate is the weekly rate divided by the number of qualifying days in the week. Each week, commencing Sunday, the employee is sick is treated as a separate pay period for SSP purposes. See example in CA35.

Daily rate

Do you have a company sick pay scheme?

Yes

No Go to step 11

If you have a company sick pay scheme, your SSP liability is met by the payment of your own sick pay if it is equal to or greater than the SSP due for each day of incapacity.

Daily rate

When do I stop paying SSP?

11 You must stop paying SSP if:

- your employee's incapacity for work under the contract ends
- the contract of service ends
- your employee has received 28 weeks SSP, including any SSP shown on form SSP 1(L) from step 8c
- your employee is pregnant and the 18 week disqualifying period begins
- your employee's linked PIW with you has run for 3 years
- your employee goes abroad and the PIW begins after your liability to pay employers' Class 1 NI contributions for them has ended
- your employee is taken into legal custody, or
- your employee dies.

Do any of these apply?

Yes You must stop paying SSP. Give your employee form SSP1 if they are still sick and note this on your SSP records. See paragraph 70 of CA30 for more information.

No Go to step 12

Tables for linking PIWs for Statutory Sick Pay

How to use the tables to see if PIWs link

Use these tables to check if one PIW links with another. Remember, a PIW is four or more calendar days of sickness in a row. All complete days of sickness, even Sundays and rest days, are counted.

PIWs link if there is a gap of no more than 56 days, ie eight weeks, between the first day of the PIW and the last day of the previous PIW. For more information on PIWs and linking, see page 11 of the *Statutory Sick Pay Manual for employers*, CA30, from April 2001

Example

Your employee has a PIW beginning 7 May 2001. To find out if this PIW links with a previous one, go to the May columns and find 7 in the column 'First day of PIW'.

Now move across to the next column 'Previous PIW links...' to find the date in line with 7 May 2001.

This date is 11 March 2001. If the last day of an earlier PIW is on or after 11 March 2001 the PIWs link.

You can also use these tables to see if you need to take account of any SSP paid on an SSP1(L), see page 16 of CA30. Or if your employee is on a series of short-term contracts to see if these 'link' and need to be treated as a single contract, see page 3 of CA30.

April 2001	
First day of PIW	Previous PIW links if on or after
6	08/02/01
7	09/02/01
8	10/02/01
9	11/02/01
10	12/02/01
11	13/02/01
12	14/02/01
13	15/02/01
14	16/02/01
15	17/02/01
16	18/02/01
17	19/02/01
18	20/02/01
19	21/02/01
20	22/02/01
21	23/02/01
22	24/02/01
23	25/02/01
24	26/02/01
25	27/02/01
26	28/02/01
27	01/03/01
28	02/03/01
29	03/03/01
30	04/03/01

May 2001	
First day of PIW	Previous PIW links if on or after
1	05/03/01
2	06/03/01
3	07/03/01
4	08/03/01
5	09/03/01
6	10/03/01
7	11/03/01
8	12/03/01
9	13/03/01
10	14/03/01
11	15/03/01
12	16/03/01
13	17/03/01
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19	23/03/01
20	24/03/01
21	25/03/01
22	26/03/01
23	27/03/01
24	28/03/01
25	29/03/01
26	30/03/01
27	31/03/01
28	01/04/01
29	02/04/01
30	03/04/01
31	04/04/01

June 2001	
First day of PIW	Previous PIW links if on or after
1	05/04/01
2	06/04/01
3	07/04/01
4	08/04/01
5	09/04/01
6	10/04/01
7	11/04/01
8	12/04/01
9	13/04/01
10	14/04/01
11	15/04/01
12	16/04/01
13	17/04/01
14	18/04/01
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18	22/04/01
19	23/04/01
20	24/04/01
21	25/04/01
22	26/04/01
23	27/04/01
24	28/04/01
25	29/04/01
26	30/04/01
27	01/05/01
28	02/05/01
29	03/05/01
30	04/05/01

July 2001	
First day of PIW	Previous PIW links if on or after
1	05/05/01
2	06/05/01
3	07/05/01
4	08/05/01
5	09/05/01
6	10/05/01
7	11/05/01
8	12/05/01
9	13/05/01
10	14/05/01
11	15/05/01
12	16/05/01
13	17/05/01
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19	23/05/01
20	24/05/01
21	25/05/01
22	26/05/01
23	27/05/01
24	28/05/01
25	29/05/01
26	30/05/01
27	31/05/01
28	01/06/01
29	02/06/01
30	03/06/01
31	04/06/01

August 2001	
First day of PIW	Previous PIW links if on or after
1	05/06/01
2	06/06/01
3	07/06/01
4	08/06/01
5	09/06/01
6	10/06/01
7	11/06/01
8	12/06/01
9	13/06/01
10	14/06/01
11	15/06/01
12	16/06/01
13	17/06/01
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20	24/06/01
21	25/06/01
22	26/06/01
23	27/06/01
24	28/06/01
25	29/06/01
26	30/06/01
27	01/07/01
28	02/07/01
29	03/07/01
30	04/07/01
31	05/07/01

September 2001	
First day of PIW	Previous PIW links if on or after
1	06/07/01
2	07/07/01
3	08/07/01
4	09/07/01
5	10/07/01
6	11/07/01
7	12/07/01
8	13/07/01
9	14/07/01
10	15/07/01
11	16/07/01
12	17/07/01
13	18/07/01
14	19/07/01
15	20/07/01
16	21/07/01
17	22/07/01
18	23/07/01
19	24/07/01
20	25/07/01
21	26/07/01
22	27/07/01
23	28/07/01
24	29/07/01
25	30/07/01
26	31/07/01
27	01/08/01
28	02/08/01
29	03/08/01
30	04/08/01

October 2001	
First day of PIW	Previous PIW links if on or after
1	05/08/01
2	06/08/01
3	07/08/01
4	08/08/01
5	09/08/01
6	10/08/01
7	11/08/01
8	12/08/01
9	13/08/01
10	14/08/01
11	15/08/01
12	16/08/01
13	17/08/01
14	18/08/01
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16	20/08/01
17	21/08/01
18	22/08/01
19	23/08/01
20	24/08/01
21	25/08/01
22	26/08/01
23	27/08/01
24	28/08/01
25	29/08/01
26	30/08/01
27	31/08/01
28	01/09/01
29	02/09/01
30	03/09/01
31	04/09/01

November 2001	
First day of PIW	Previous PIW links if on or after
1	05/09/01
2	06/09/01
3	07/09/01
4	08/09/01
5	09/09/01
6	10/09/01
7	11/09/01
8	12/09/01
9	13/09/01
10	14/09/01
11	15/09/01
12	16/09/01
13	17/09/01
14	18/09/01
15	19/09/01
16	20/09/01
17	21/09/01
18	22/09/01
19	23/09/01
20	24/09/01
21	25/09/01
22	26/09/01
23	27/09/01
24	28/09/01
25	29/09/01
26	30/09/01
27	01/10/01
28	02/10/01
29	03/10/01
30	04/10/01

December 2001	
First day of PIW	Previous PIW links if on or after
1	05/10/01
2	06/10/01
3	07/10/01
4	08/10/01
5	09/10/01
6	10/10/01
7	11/10/01
8	12/10/01
9	13/10/01
10	14/10/01
11	15/10/01
12	16/10/01
13	17/10/01
14	18/10/01
15	19/10/01
16	20/10/01
17	21/10/01
18	22/10/01
19	23/10/01
20	24/10/01
21	25/10/01
22	26/10/01
23	27/10/01
24	28/10/01
25	29/10/01
26	30/10/01
27	31/10/01
28	01/11/01
29	02/11/01
30	03/11/01
31	04/11/01

January 2002	
First day of PIW	Previous PIW links if on or after
1	05/11/01
2	06/11/01
3	07/11/01
4	08/11/01
5	09/11/01
6	10/11/01
7	11/11/01
8	12/11/01
9	13/11/01
10	14/11/01
11	15/11/01
12	16/11/01
13	17/11/01
14	18/11/01
15	19/11/01
16	20/11/01
17	21/11/01
18	22/11/01
19	23/11/01
20	24/11/01
21	25/11/01
22	26/11/01
23	27/11/01
24	28/11/01
25	29/11/01
26	30/11/01
27	01/12/01
28	02/12/01
29	03/12/01
30	04/12/01
31	05/12/01

February 2002	
First day of PIW	Previous PIW links if on or after
1	06/12/01
2	07/12/01
3	08/12/01
4	09/12/01
5	10/12/01
6	11/12/01
7	12/12/01
8	13/12/01
9	14/12/01
10	15/12/01
11	16/12/01
12	17/12/01
13	18/12/01
14	19/12/01
15	20/12/01
16	21/12/01
17	22/12/01
18	23/12/01
19	24/12/01
20	25/12/01
21	26/12/01
22	27/12/01
23	28/12/01
24	29/12/01
25	30/12/01
26	31/12/01
27	01/01/02
28	02/01/02

March/April 2002	
First day of PIW	Previous PIW links if on or after
1	03/01/02
2	04/01/02
3	05/01/02
4	06/01/02
5	07/01/02
6	08/01/02
7	09/01/02
8	10/01/02
9	11/01/02
10	12/01/02
11	13/01/02
12	14/01/02
13	15/01/02
14	16/01/02
15	17/01/02
16	18/01/02
17	19/01/02
18	20/01/02
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21	23/01/02
22	24/01/02
23	25/01/02
24	26/01/02
25	27/01/02
26	28/01/02
27	29/01/02
28	30/01/02
29	31/01/02
30	01/02/02
31	02/02/02
1	03/02/02
2	04/02/02
3	05/02/02
4	06/02/02
5	07/02/02

Recovery Scheme for Statutory Sick Pay

Recovering Statutory Sick Pay under the Percentage Threshold Scheme

Can I claim back any Statutory Sick Pay?

In certain circumstances you may be able to qualify for reimbursement under the Percentage Threshold Scheme.

The Statutory Sick Pay Small Employers' Relief scheme was abolished from 6 April 1995 and replaced by the Percentage Threshold Scheme.

The Percentage Threshold Scheme is designed to help employers who have a high proportion of their workforce sick at any one time. The new arrangements are not restricted to small businesses.

Unless you qualify under the Percentage Threshold Scheme, you are not entitled to recover any of the Statutory Sick pay you pay to your employees.

Percentage Threshold Scheme (PTS)

Ordinarily, for calculations relating to SSP liability, legislation provides that at the final stage of any calculation, where the result contains an unrounded fraction of a penny, the results should be rounded up to the nearest whole penny. The purpose of this rounding is to give the employee or the employer the benefit of this rounding.

When you calculate your gross Class 1 liability in a tax month for SSP recovery purposes and follow the normal rounding rule, you do not get the benefit of the rounding. Because of this, it was decided that from April 1999, employers calculating their gross Class 1 NICs liability for the purpose of recovery under Percentage Threshold Scheme should, where rounding is appropriate, round down. This will give you the benefit of the fraction of a penny when making recovery.

How do I work out if I qualify in 2001/2002

The Percentage Threshold Scheme applies to all Statutory Sick Pay payments for days of incapacity on or after 6 April 1995.

Under the scheme, you must compare the total Statutory Sick Pay you have paid in a tax month with 13% of your total, employers' plus employees', gross Class 1 National Insurance contributions liability for that tax month. **Do not include Class 1A contributions, on company cars, or Class 1B contributions, arising on earnings subject to a PAYE settlement agreement, but do deduct any rebate you are entitled to claim for that tax month.**

You can get back any Statutory Sick Pay paid over and above 13% of your National Insurance liability. Tax months begin on the 6th of each month.

Your Class 1 National Insurance contribution liability for a tax month is based on the payments made in that month. See leaflet CWG2 for detailed information on how to calculate your National Insurance liability.

To work out if you qualify under the scheme in a tax month in which you paid Statutory Sick pay:

- 1 work out the total gross Class 1 National Insurance contribution liability for the tax month
- 2 deduct any contracted-out rebate due for the tax month even if you have not claimed it in the tax month
- 3 multiply by 13%, rounding down fractions of a penny
- 4 work out the total Statutory Sick Pay payments in that month.

If the amount at 4 is more than the amount at 3, you can recover the difference between the two amounts.

Example A

- 1 Your Class 1 National Insurance contributions liability for tax month May 2001, ie 6 May to 5 June, is £746.76
- 2 Less contracted-out rebate of £13.50 = £733.26
- 3 13% of £733.26 is £95.3238 rounded down to £95.32
- 4 The Statutory Sick Pay you paid in May 2001 is £123.65

£123.65 is more than £95.32 by £28.33 so you can recover £28.33 in this tax month

Example B

- 1 Your Class 1 National Insurance contributions liability for tax month September 2001, ie 6 September to 5 October, is £1,465.29
- 2 Less contracted-out rebate of £24.75 = £1,440.54
- 3 13% of £1,440.54 is £187.2702 rounded down to £187.27
- 4 The Statutory Sick Pay you paid in September is £173.10

£173.10 is less than £187.27 so you cannot recover anything in this tax month

If you qualify in one tax month, you do not automatically qualify in the next. If an employee's Period of Incapacity for Work (PIW) spans two or more tax months, you must do separate calculations for each month.

Example

Your employee is sick from 25 April to 13 May and is paid calendar monthly at the end of the month.

You must compare the Statutory Sick Pay paid between 6 April and 5 May with 13% of your National Insurance contribution liability for the tax month of April, ie 6 April to 5 May.

You must compare the Statutory Sick Pay paid between 6 May and 5 June with 13% of your National Insurance contribution liability for the tax month of May, ie 6 May to 5 June.

Small employers can pay their tax and National Insurance contributions quarterly and will, therefore, recover Statutory Sick Pay quarterly. However, they must calculate the amount, they are entitled to recover, monthly.

If you have more than one PAYE scheme you must add together your National insurance contribution liability and your Statutory Sick Pay payments for all schemes before calculating whether you are entitled to make any recovery for that month under the Percentage Threshold Scheme.

If you make a mistake in calculating your Statutory Sick Pay payments or Class 1 National Insurance liability, you will need to recalculate the amount you are due to recover. Further details of how to do this are in the *Statutory Sick Pay Manual for employers*, CA30.

How do I get my money back?

Deduct the amount you are entitled to recover from your payments to the Inland Revenue. You do not need to make a special entry.

What records must I keep?

Do not record the amount of Statutory Sick pay you are due to recover on your employee's form P12.

This leaflet gives general guidance only and should not be treated as a complete and authoritative statement of the law.

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