

## STATUTORY PAYMENTS 2010-11

There are two types of statutory payments - one when an employee is sick (SSP), and the other when the employee is to become a parent (SMP, SPP, SAP)

### SSP (Statutory Sick Pay)

SSP is paid to employees who are unable to work due to illness. An employer is responsible for making SSP payments to employees if they meet the qualifying criteria

Minimum earnings to qualify for SSP £97 per week £421 per month

Weekly Rate of SSP £79.15 per week (£15.83 per day)

SSP is not payable for the first 3 days of sickness, but is payable thereafter, for up to a maximum of 28 weeks.

### SMP (Statutory Maternity Pay)

SMP is paid to a female employee who is about to have a baby, who has been employed for approximately 9 months before the date the baby is due, and whose average earnings are above the current Lower Earnings Limit for NI.

Minimum earnings to qualify for SMP £97 per week £421 per month

SMP can be paid for up to 39 weeks. The first 6 weeks are paid at 90% of the woman's average earnings, the remaining 33 weeks are paid at whichever is the lower of the lower rate or 90% of average earnings.

Lower rate for 33 weeks £124.88

### SPP (Statutory Paternity Pay)

SPP is paid when the employee's wife, partner or civil partner gives birth to or adopts a child and the employee takes time off work to look after the baby or help support the mother in the first few weeks.

The employee needs to have been employed by the same employer for approximately 9 months before the date the baby is due, and whose average earnings are above the current Lower Earnings Limit for NI.

Minimum earnings to qualify for SPP £97 per week £421 per month

SPP is paid for either one week or two consecutive weeks at the rate of £124.88 per week, or 90% of their average wage if this is less.

### **SAP (Statutory Adoption Pay)**

SAP is paid to an employee who adopt a child and is payable for a maximum of 39 weeks.

Minimum earnings to qualify for SAP

£97 per week £421 per month

SPP is paid for up to 39 weeks at the rate of £124.88 per week, or 90% of their average wage if this is less.

### **Reclaiming Statutory Payments**

The amount of SSP which can be reclaimed by the employer is the amount by which the SSP paid to employees exceeds 13% of the gross National Insurance liability for that month (Employee's + Employer's).

All employers can currently reclaim 92% of all SMP, SPP and SAP payments made to employees.

If the employe is classed as a 'small employer' they can reclaim 100% of all SMP, SPP and SAP payments made to employees, plus 4.5% compensation. Small employers are those whose Gross NIC bill is less than £45,000 per annum.