



# Statutory Maternity Leave and Pay (SSP)

SMP is paid to female employees or former employees who have had or are about to have a baby. It is paid to women who have been in the same employment throughout their pregnancy and is compulsory where the employee fulfils certain requirements. A woman can receive SMP from more than one employer, provided she fulfils all the qualifying criteria.

All employees have a right to:

Return to the same job after a period of maternity leave.

To work for up to 10 days within the maternity pay period without losing the right to SMP. These 10 days are known as Keeping in Touch days (KIT).

Receive non-pay contractual benefits for the full 52 week period. This includes gym memberships, health insurance, mobile phones, company cars and all salary sacrifice arrangements eg child care vouchers and pension contributions.

## The Requirements

SMP is payable provided the employee has:

- Given 15 weeks notice (prior to the due date) of the

pregnancy, expected date of childbirth and of the intended start date of her leave period. Given 28 days notice of any change to the originally predicted dates.

- Provided medical evidence with a form (MATB1).
- Been employed continuously for 26 weeks up to and including her qualifying week.
- Had average weekly earnings above the lower earnings limit in the relevant period.
- Received a letter from their employer confirming SMP payable and return to work dates.

It is important to note that mothers have a legal entitlement to take up to 52 weeks off around the time of the birth of their baby whether or not they qualify for SMP.

## The Amount Payable

SMP is payable for a maximum of 39 weeks. The date the baby is due as shown on the MATB1 certificate, determines the maternity pay period entitlement and not the date the baby is born. The rates of SMP are as follows:

First six weeks at 90% AWE (see below)

Up to a further 33 weeks at the lower of:

- 90% of AWE
- £140.98 per week for 2017/18.

SMP is treated as normal pay.

## Chartered accountants & business advisers

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## Average Weekly Earnings (AWE)

AWE need to be calculated for two purposes:

To determine if the employee is entitled to SMP (earnings must be above the Lower Earnings Limit)

To establish the rate of SMP.

Average pay is calculated by reference to the employee's relevant period; this is based on an eight week period up to the end of the qualifying week. In some instances subsequent pay rises have to be taken into account when calculating SMP. Earnings for this purpose are the same as for Class 1 NIC and include SSP.

## Recovery of SMP

92% of SMP paid can be recovered by deduction from the monthly PAYE payments.

Employers may qualify for Small Employers' Relief (SER). SER is 100% of SMP plus a 3% NIC compensation.

To qualify for SER, the current limits are:

- Total gross Class 1 NIC (ees and ers) for the employee's qualifying tax year must be less than £45,000
- The employee's qualifying tax year is the last complete

tax year that ends before the start of her qualifying week.

## Glossary of Terms

Week baby due - The week in which the baby is expected to be born. This starts on a Sunday.

Qualifying week (QW) - The 15th week before the week baby due.

Maternity Pay Period (MPP) - The period of up to 39 weeks during which SMP can be paid.

MATB1 - Maternity certificate provided by a midwife or doctor. This is available up to 20 weeks before the baby is due. SMP cannot be paid without this.

## Adoptive Parents

There are broadly similar statutory obligations that employers must give to parents of adopted children. We will be happy to provide you with further details and assistance on request.



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