

Payroll - Statutory Maternity Pay (SMP)

Qualification for SMP

- The employee must have been continuously employed for at least 26 weeks into the 15th week before the baby is due.
- The employee must give at least 28 days notice of planned maternity leave.
- Evidence of the expected week of confinement must be provided, ideally in the form of a maternity certificate (MAT B1) from a doctor or midwife within 21 days of the start of the maternity pay period.

Payment of SMP

- SMP is payable for a maximum of 39 weeks
- It may start from the 11th week before the baby is due up until the Sunday after the baby is born
- An employee cannot work for the employer while being paid SMP
- SMP is paid for 6 weeks at 90% of the employee's average weekly earnings during the 8 weeks before the 15th week before the baby is due.
- SMP is then paid for 33 weeks at the lower of £117.18 per week (from 6th April 2008) or the rate paid in the first six weeks.
- SMP is taxable and subject to both employee and employer National Insurance.

Recovery of SMP by the employer

- Small employers with an annual National Insurance liability of less than £45,000 are entitled to recover 100% of SMP paid plus an additional 4.5% as compensation for the National Insurance contributions paid on the SMP.
- Employers with an annual National Insurance liability of more than £45,000 are entitled to recover 92% of the SMP.

Maternity Leave

- Mothers are entitled to take 26 weeks ordinary maternity leave. They are now all entitled to a further 26 weeks additional maternity leave regardless of their length of service.

Other information sources

- Employers Helpline – 0845 7143143
- HM Revenue & Customs website – www.hmrc.gov.uk
- HMRC Helpsheet E15 – Pay and Time off Work for Parents