

UK Shared Parental Leave & Pay

Shared parental leave (SPL) was introduced to enable working parents to share the caring responsibilities for their child during their first year.

Does SPL replace maternity leave?

No. Parents remain entitled to take statutory maternity, paternity and adoption leave - but SPL replaces *additional* leave. For the purposes of this article, we will explore the implications for a birth mother and birth father; however, the equivalent rights are granted to parents of any gender as well as those adopting.

Swapping maternity leave with SPL

By law, a birth mother must take at least two weeks maternity leave following the birth of a child but can otherwise choose to end her maternity leave at any time. Parents can then alternate leave and take up to three separate blocks each (blocks of leave must be for a duration of one week or more) or be off work together and use it up in one go.

For example: a mother and her partner are both eligible for SPL. The mother ends her maternity leave after 12 weeks, leaving 40 weeks (of the total 52 week entitlement) available for SPL. She takes 30 weeks and her partner takes the other 10 weeks.

Eligibility for SPL

If an employee is eligible for SPL and they or their partner end maternity or adoption leave, they can then take the remaining maternity leave entitlement (following the mother's compulsory 2 weeks) as SPL.

Each parent qualifies separately for SPL and Shared Parental Pay. To qualify for SPL, a mother must:

- Have a partner
- Be entitled to either maternity/adoption leave and pay or maternity allowance
- Have curtailed, or given notice to reduce their maternity/adoption leave

A parent intending to take SPL must:

- Be an employee
- Share the primary responsibility for the child with the other parent at the time of the birth or placement for adoption
- Have properly notified their employer of their entitlement and have provided the necessary declarations and evidence
- Satisfied the continuity of employment and employment earnings tests

The employee must continue to be employed by the employer while they take SPL.

Qualifying for Shared Parental Pay (ShPP)

The remaining maternity pay (minus any weeks of maternity pay or maternity allowance) can be paid as ShPP. To qualify for ShPP both employees (the mother and the other parent) must meet the conditions set out above and confirm with the employer:

- How much ShPP both parents are entitled to take
- How much ShPP each parent intends to take
- When they expect to take ShPP
- Provide declaration from the employee's partner confirming their agreement to the employee claiming their amount of ShPP

In addition to the above eligibility conditions, the employee must also have earned above the 'Lower Earnings Limit' (£118 per week) in the 8 weeks leading up to and including the 15th week before the child's due date/matching date (if adopting).

Both the mother and partner must qualify in order to be entitled to Shared Parental Pay.

Shared Parental Pay

An employee is eligible for Statutory Shared Parental Pay for 37 weeks at the lower of the below based on the mother taking two weeks' compulsory maternity leave:

- £148.68 per week; or
- 90% of average weekly earnings.

Note: As the mother on maternity leave is entitled to 90% of earnings for six weeks, there is no financial benefit for the employee to commence SPL until week seven.

If your employee does not qualify for Statutory Maternity Pay (SMP), they may be entitled to Maternity Allowance from the Department for Work and Pensions (DWP).

Tax Treatment

Employers are able to recover 92% of the statutory Shared Parental Pay via reduced employer National Insurance Contributions. Any enhanced maternity related pay is made at your discretion and will not be recoverable.

Notice

It is sensible for employers to discuss an employee's plans for SPL so there is plenty of time to plan for work cover and entitlements can be fully explained. Also, the earlier an employee informs the employer of their intention, the more likely that these wishes can be accommodated.

Updated April 2019. The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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