

UK Maternity Leave & Pay

Maternity Leave

An employee who is expecting a baby has the right to 26 weeks of 'Ordinary Maternity Leave' and 26 weeks of 'Additional Maternity Leave' - making one year in total. The first 2 weeks of maternity leave after childbirth are compulsory.

The employee must notify the employer at least 15 weeks before the due date with details of the expected due date and when the employee intends to start and finish maternity leave.

The earliest maternity leave can start is 11 weeks before the expected week of childbirth. Maternity leave will begin automatically if the employee is off work for a pregnancy related illness in the 4 weeks before the expected week of childbirth.

Employees can continue to work right up to the baby's due date.

Maternity Pay

Your employee must provide you with a Maternity Certificate (Form MAT B1) to confirm that they are expecting a baby. The form should be signed by a doctor or midwife and should confirm the expected due date.

You must not pay Statutory Maternity Pay (SMP) unless you get this form (or similar evidence of pregnancy) from your employee.

Whether you have to pay SMP to an expectant employee depends on how long they've worked for you and how much they earn.

Eligibility

For an employee to be considered eligible for SMP, they must:

- have worked for you continuously (full or part time) for at least 26 weeks up to and into the 15th week before the week the baby is due (the qualifying week);
- earn at least £118 per week (gross); and
- have given you the right paperwork confirming the pregnancy and sufficient notice of when they would like to start their maternity leave.

If your employee's earnings are below £118 per week or they do not qualify for SMP for another reason, they may be entitled to Maternity Allowance from the Department for Work and Pensions (DWP).

Rates

If they are eligible, SMP will be paid for up to 39 weeks, so you must pay them:

- 90% of their average weekly earnings (before tax) for the first 6 weeks
- £148.68 or 90% of their average weekly earnings (whichever is lower) for the next 33 weeks.

Tax Treatment

Be aware that payments of SMP count as earnings, therefore Pay As You Earn (PAYE) income tax and National Insurance Contributions (NICs) may be deducted.

Employers may also be able to recover up to 92% of the SMP for a period of 39 weeks. The reclaim is carried out automatically through the employee payroll system by reducing the total PAYE liability.

Any enhanced maternity pay is made at your discretion and will not be recoverable.

It is important to seek professional advice as early as possible to determine eligibility for any kind of statutory payment and how you might be able to recover costs.

How we can help

We are proud to provide award winning professional advice and services to employers seeking to globalise their businesses.

Whether you already have UK employees or are hiring for the first time, we can guide you through the employee related regulatory, planning and reporting requirements.

Whatever the issues are (assignment policy creation, remuneration planning, HR, payroll taxes etc.), our dedicated employee benefits, payroll & HR team have a history of providing practical, valuable advice.

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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