

*These notes refer to the National Insurance Contributions and Statutory
Payments Act 2004 (c.3) which received Royal Assent on 13 May 2004*

NATIONAL INSURANCE CONTRIBUTIONS AND STATUTORY PAYMENTS ACT 2004

EXPLANATORY NOTES

ANNEX C: OVERVIEW OF STATUTORY PAYMENTS¹

There are four Statutory Payments.

- **Statutory Sick Pay (SSP)** is paid to employees by their employer when the employee is incapable of work for four or more calendar days in a row. The employee does not need to provide the employer with medical evidence. There are some qualifying conditions the employee must satisfy. The main one is to have average weekly earnings of at least £79 in a period of at least 8 weeks before they became incapable of work. SSP is payable for a maximum of 28 weeks at £66.15 a week. If the employee is not entitled to SSP or they run out of their entitlement the employer must complete a form to enable the employee to claim Incapacity Benefit.
- **Statutory Maternity Pay (SMP)** is paid to pregnant employees by their employers when they satisfy the qualifying conditions. The employee must:
 - provide the employer with medical evidence of their pregnancy and the week the baby is due;
 - have worked for the employer continuously for 26 weeks up to and including the 15th week before the week the baby is due;
 - have average weekly earnings of at least £79 in a period of at least 8 weeks up to and including the 15th week before the week the baby is due; and
 - give their employer 28 days notice of when they want to take time off work.

SMP is payable at 2 rates. The first 6 weeks is paid at 90% of the average weekly earnings. The remaining 20 weeks are paid at the lower of £102.80 a week or 90% of the average weekly earnings. If the employee is not entitled to SMP the employer must complete a form to enable the employee to claim Maternity Allowance.

- **Statutory Adoption Pay (SAP)** is paid by employers to employees who are adopting a child on their own or to one member of a couple who are adopting a child together. The employee must:
 - provide the employer with evidence that they have been matched with a child for adoption;
 - have worked for the employer continuously for 26 weeks up to and including the week in which they are matched with a child for adoption;
 - have average weekly earnings of at least £79 in a period of at least 8 weeks up to and including the week in which they are matched with a child for adoption; and
 - give their employer 28 days notice of when they want to take time off work.

SAP is payable for 26 weeks at the lower of £102.80 a week or 90% of the average weekly earnings. There is no state benefit if the employee is not entitled to SAP.

- **Statutory Paternity Pay (SPP)** which is paid by employers to employees who satisfy the qualifying conditions and who are:
 - the baby's biological father; or
 - the partner or husband of the mother but not the baby's biological father, including a female partner in a same sex couple; or
 - the partner of someone adopting a child on their own; or adopting a child with their partner.

1 AMOUNTS ARE FOR THE 2004/05 YEAR

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The employee must:

- provide the employer with a declaration of family commitment;
- have worked for the employer continuously for 26 weeks up to and including the 15th week before the week the baby is due OR up to and including the week in which the adopter is matched with a child for adoption;
- remain continuously employed until the baby is born or the child is placed for adoption (this means the child starts living permanently with the person who will be adopting them);
- have average weekly earnings of at least £79 in a period of at least 8 weeks up to and including the week in which the baby is due OR the week in which the adopter is matched with a child for adoption; and
- give their employer 28 days notice of when they want to take time off work.

SPP is payable for 1 or 2 whole weeks at the lower of £102.80 a week or 90% of the average weekly earnings. The employee may be entitled to Income Support if they are not entitled to SPP.

The Inland Revenue is responsible for providing employers with support to help them operate all four Statutory Payment schemes and also for ensuring that employees receive their correct entitlement.