

## **Q6: How do I pay Statutory Paternity Pay (SPP)**

### **6.1 You set up the Parental Pay box on the 2nd screen of the employee's record and SUPERPAY looks after the SPP calculations for you.**

#### **Entitlement**

A father who satisfies the qualifying conditions is entitled to 2 weeks' Statutory Paternity Pay (SPP) following the birth of a partner's baby. The Paternity Pay period can start on any day of the week, and one or two weeks SPP must be taken consecutively; i.e. the employee cannot take one week now and another week later.

Apart from checking that an employee's earnings are above the Lower Earnings Limit in the Qualifying Period, SUPERPAY does no other checks on entitlement; e.g. SUPERPAY does not check on length of service. If you are unsure whether an employee is entitled to SPP, telephone the Inland Revenue hotline for clarification.

#### **Rate payable**

The rate payable is the lower of 90% of the employee's average weekly earnings or the standard weekly rate. This standard rate is the same as the standard rate for SMP and changes slightly each year. For 2006/7, the standard rate is £108.85 per week. The rate is a weekly amount. Part weeks are not allowed e.g. if the employee only takes 3 days off out of a normal 5 day week, no SPP is due.

#### **Reclaim amount**

The amount that you can reclaim is based on your company's National Insurance payments for the Qualifying Year (usually last year). If you are a large employer, you can reclaim 92% of the amount paid. If you are small, you can reclaim 100% of the amount paid plus NIC compensation at the current rate (4.5% for 2006/2007).

SUPERPAY works out the reclaim for you based on what has been set up on the NI amounts on the third screen of the CO RECORD.

**Parental Leave box**

On the EMPLOYEE RECORD (Screen 2), complete the PARENTAL LEAVE box as follows.

<b>Statutory Sick Pay</b>		Pay method C	A/c no
Weeks	Amount	Sort code	A/c name
Average pay		Roll no	Ref
<b>Parental Leave</b>		<b>Second pay details</b>	
SMP/SPP/SAP	SMP	Pay method	Amount
EWC/MW date	/ /	Sort code	A/c no
Start date	/ /	A/c name	Ref
Higher rate (Y/N)	Y	Roll no	
Stop paying	N	<b>Address</b>	<b>Attachment</b>
Average pay			Amount due
Weeks: Paid	Worked		Admin cost
Total amount			Deduction
Amount this year			Protected pay
<b>Last pay</b>		<b>Comment</b>	Deduction c/f
Net pay	469.60		Prot. pay c/f
Round: To	B/f		Priority (Y/N) Y
	C/f		
F9 Store F10 Print F6 Text F8 PSlip F7 UndoRun F4 Diary P45 ShF4 P45 F2 Wk/Mn F3 Code F5 Delete PgDn NextScr Esc F1 Exit Help			

Diagram 1: Parental Leave

1. Enter SPP in the SMP/SPP/SAP field to tell SUPERPAY to pay **Paternity** Pay - the default is SMP.
2. Enter the date the baby was/is due in the EWC/MW field.
3. Enter the calculation start date in the START DATE field. If the employee is paid a week in hand, this is the week after the actual start date. SUPERPAY calculates the amount to pay based on the difference between this 'calculation' START DATE and the date you enter on the RUN PAYROLL menu screen.
4. If the employee is only taking one week off, enter 1 in the WEEKS: WORKED field (i.e. leave the WEEKS: PAID field blank for SUPERPAY to fill in).
5. RUN PAYROLL will then display 1 or 2 weeks' SPP when you process the employee's next payslip. If the employee still has another week due, SUPERPAY will automatically pay the 2nd week on the following week's or month's payslip; i.e. you do not have to enter anything for the 2nd week.
6. If the employee is paid a fixed salary, you will need to adjust his Payslip screen for the amount of SPP paid (i.e. you don't want him to get SPP on top of his normal pay).
7. The reclaim is automatically displayed on the MONTHLY SUMMARY.

As you can see, SPP on SUPERPAY is straightforward. We get a great many queries because users think there should be more to it than entering 3 or at most 4 fields.