

Christian Workers – Finance for Living Series

a guide to statutory maternity pay

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general position

Statutory Maternity Pay (SMP) has been introduced to enable women to take time off work before and after they have a baby and receive some payment whilst away. It only applies to women who are employed and where eligible, payments are made directly by the employer.

Although SMP has no rules and conditions that apply specifically to Christian workers, we would still recommend that you read our briefing paper [a guide to the UK benefit system](#) as a general introduction before starting this paper.

health warning

This paper was written in October 2012, during the 2012/13 tax year. The rules described and the various percentages or monetary values all relate to that period. Should significant time have elapsed between then and now, we would strongly advise you to visit www.direct.gov.uk/en/MoneyTaxAndBenefits to ensure that there has been no significant changes to the legislation that would impact onto your situation.



basic rules

SMP is a weekly payment made by your employer, and in order to qualify you need to meet two criteria.

The first criterion is called the continuous employment rule which requires you to have been employed continuously for a period of at least 26 weeks into what is called the qualifying week. The qualifying week is the 15th week prior to the week that your baby is due. This means that you need to have started your continuous period of employment at least 41 weeks (about 9.5 months) before your baby is due to be born.

There are certain exceptions to this rule (e.g. women who have had more than one employer during the qualifying period) which may mean that you are still able to make a claim even if you are unable to meet this criterion in full. If you think that you have specific circumstances that may be covered by an exception, we would recommend that you talk to your employer or visit the website address given at the end of this paper.

The second criterion is called the earnings rule. In order to qualify you must have been earning on average an amount at least equal to what is called the "lower earnings limit". For the tax year 2012/13, this amount is £107 per week. If you are uncertain whether you meet this average earnings level then please check with your employer.

No age limit applies and SMP must still be paid in cases where you do not intend to return to the employer after the baby is born. The most important date for the calculation of SMT is the date that your baby is due, rather than the date that they are actually born.

how is it calculated?

SMP can be claimed for a maximum of 39 weeks, split into two periods.

- The first six weeks is paid at 90% of your average gross weekly earnings (there is no upper limit applied to this)
- The remaining weeks are paid using the lower of either the standard rate (£135.45 per week) or 90% of your gross weekly earnings

In order to calculate your average gross weekly earnings, your employer will look at a period that covers at least 8 weeks up to and including your last payday after the qualifying period. The key dates are the dates that you **receive** the pay rather than the dates on which it is **earned**. Where amounts are paid that include bonuses and other "special" payments, these should be included when making the calculations.

when is it paid?

SMP will commence on the date that you and your employer have agreed, but can start no earlier than the 11th week before your baby is due and no later than the day after your baby is due. There are certain circumstances that may impact the start date of SMP. Details can be found at the websites listed under 'further information', below.

If you do not qualify, then your employer must issue you with a form SMP1 which gives the reason why they are unable to pay SMP (most likely because you do not meet one or other of the criteria given above, although there may be other reasons also), and you can use this form to support an application for Maternity Allowance (MA) (see separate briefing paper).

SMP and MA are mutually exclusive. Both cannot be claimed at the same time.





how to claim?

Any claims should be made directly to your employer and when making a claim you must;

- tell your employer that you are having a baby
- tell them when you want the SMP to commence from (giving a notice period of at least 28 days)
- provide evidence of the expected birth date. This is normally in the form of MATB1 which can be obtained from a doctor or midwife.

further information

Further information can be found at www.direct.gov.uk/en/MoneyTaxAndBenefits, or

<http://www.dwp.gov.uk/publications/specialist-guides/technical-guidance/ni17a-a-guide-to-maternity/statutory-maternity-pay-smp/#intro>

The Finance for Living series of papers forms part of Stewardship's resources for Christian Workers. With contributions from a panel of advisors each of whom has significant experience within the area of mission, the series draws on their expertise to offer biblical teaching and practical guidance on issues affecting those living on personal financial support. The papers are available to download from the Stewardship website see <http://www.stewardship.org.uk/resources/finance-for-living>

This paper has been written by Alan Hough and edited by Stewardship. Alan has a background in corporate finance, compliance and risk alongside church leadership and trusteeship.

If you have any questions or comments arising from the material presented here, you can contact us at education@stewardship.org.uk or by telephone on 0208 502 8585.