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A whole world of childcare



## Advice for Parents on Statutory Sick Pay, Statutory Maternity Pay, Redundancy Pay and Holidays



This is a very brief overview of the basics of the law relating to these issues. It is not meant to be taken as full legal advice on these issues. Tinies does not accept any responsibility if an individual acts on the below to their detriment without seeking legal advice from an independent lawyer.



## Statutory Sick Pay (SSP)

As an employee nannies are entitled to SSP if they are sick for three days or more.

- Normally the three waiting days do not include non-working days (weekends or days not normally worked) i.e. they have to have been sick during their working days
- The three working days lost prior to SSP commencing are paid at the employer's discretion. This means that you do NOT have to pay the employee's normal salary on those 3 days
- It is the 4<sup>th</sup> day that triggers the SSP pay
- The current rate of SSP (tax year 2015/2016) is £88.45 per week and can be paid instead of normal rate of pay. Employees are entitled to 28 weeks SSP.

## Statutory Maternity Pay (SMP)

If a nanny has been working for the same employer for at least nine months prior to the baby's due date the employer is obliged to administer SMP on their behalf

- Most employees are entitled to maternity leave of 52 weeks.
- Employees may also qualify for 39 weeks of SMP
- To qualify for SMP an employee must have been:
  - employed by the same employer continuously for at least 26 weeks into the 15th week before the week your baby is due ("the qualifying week")
  - earning on average an amount which at least equals the lower earnings limit (£112 tax year 2015/2016) which applies on the Saturday at the end of your qualifying week
- For the first 6 weeks of the maternity pay period nannies are entitled to 90% of their gross wage
- For the subsequent 33 weeks they are entitled to £139.58 gross per week (tax year 2015/2016)
- If they choose to resume their employment following the maternity leave they are fully entitled to do so, with the same terms and conditions as before. That means that they can come back to the same job, but it does not mean that they can insist on coming back on a part time basis or with their own child
- In most cases the employer can reclaim all costs of operating and paying SMP from HMRC

- Please note that there are specific laws relating to the entitlement of the employee to claim non-pay benefits whilst on maternity leave, such as holiday entitlement, gym membership, company car or company mobile.

There are some excellent websites available for both employees and employers looking for advice on maternity rights:

- [www.worksmart.org.uk/rights/maternity\\_leave](http://www.worksmart.org.uk/rights/maternity_leave)
- [www.gov.uk/employers-maternity-pay-leave/entitlement](http://www.gov.uk/employers-maternity-pay-leave/entitlement)
- [www.businesslink.gov.uk](http://www.businesslink.gov.uk) - Go to the home page, Employing People/Managing Your Staff/Work and Families

## Redundancy Pay

Nannies are, like all other employees, entitled to redundancy pay as long as they have been in continuous employment for a minimum of two years and providing they are not on a fixed-term contract.

### The calculation for statutory redundancy pay is based on:

1. How long the employee has been continuously employed
2. The employee's age
3. The employee's weekly pay, up to a certain limit (£475 current maximum tax year 2015/2016)

### The employee will get:

- 0.5 week's pay for each full year of service where the employee's age was under 22
- 1 week's pay for each full year of service where the employee's age was 22 or above, but under 41
- 1.5 week's pay for each full year of service where the employee's age was 41 or above

The maximum number of years that can be taken into account is 20 years.

**For example:** If a nanny is 45, and her weekly pay is £430 per week and she has completed 15 years' full service, the nanny will receive from you, the employer, £7,310 statutory redundancy pay.

**Step one:** 1.5 weeks x 4 years full service when the nanny was 41 or above = 6 weeks

**Step two:** 1 week x 11 years' service when the nanny was under 41 = 11 weeks

**Step three:** 6 weeks + 11 weeks = 17 weeks x £430 = £7,310 statutory redundancy pay

## Holiday Pay

All employees who work full time are entitled to 28 days leave in a year. That means all employees are entitled to 5.6 weeks holiday per year if they are working full time. An employer can stipulate that 8 of those days must be taken on the bank holidays.

Part-time employees who want to find out how much holiday they are entitled to should simply multiply the number of days or hours they work each week by 5.6.



All information and advice contained in this resource are meant as guidance only