

Tinies

The Childcare Experts

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 4th day that triggers the SSP pay.
- The current rate of SSP (tax year 2011/2012) is £81.60 per week and can be paid instead of normal rate of pay. Employees are entitled to 28 weeks SSP.
- The employer may be able to reclaim some of the costs from the state (check with your payroll company).

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 both Ordinary Maternity Leave OML (26 weeks) plus Additional Maternity Leave AML (a further 26 weeks on top) - it is up to the employee if they decide to take the AML
- Normally only 39 weeks are payable through SMP
- 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 £124.72 gross per week (tax year 2011/2012)
- 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 (both OML and AML), 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
- www.direct.gov.uk/en/Employment/Employees/WorkAndFamilies/DG_10029285
- 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 minimum Statutory Redundancy pay entitlements are as follows:

- **Between ages 18-21** – you qualify for ½ week's pay (or £200, whichever is lower) for every year worked
- **Between ages 22-40** – you qualify for 1 week's pay (or £400, whichever is lower) for every year worked
- **Between ages 41 to retirement** – you qualify for 1 ½ week's pay (or £600, whichever is lower) for every year worked.

The employer is free to pay more at their own discretion; however they cannot reclaim any part of the costs from the state

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.