

Notes of Statutory Payment Consultation Group Meeting on Wednesday 10 February 2016

Present

Linda Pullen (LP)-Payroll Alliance

Samantha Mann (SM)-CIPP

Jane Edwards (JE)-DWP

Simon Parsons (SP)-IREEN

Jackie Petherbridge (JP)-The Payroll Practice Ltd

Tracy Taylor (TT)-BCS Payroll Group

Debbie Jackson (DJ) - BIS

Bertha Eson-Benjamin (BEB) - BIS

Chris Sutton (CS)-DWP

Lisa Storey (LS) - HMRC

Graeme Young (GY)-HMRC

1, Introduction

GY welcomed TT and BEB to the Group. He went on to say that TT had taken over from Norman Green who was retiring. GY continued that he wished to record his appreciation for all the support Norman had given to the Group over many years.

2. Statutory Shared Parental Pay (ShPP)

2.1 DJ explained that the Government had announced last year that it was their intention to extend ShPP to grandparents. There was a number of drivers in relation to this announcement. There was evidence of a motherhood penalty namely that new mothers lost out both financially and in job prospects when they took time off work to have a child. The Government also had a Fuller Working Life Strategy which was aimed at keeping people in work longer. There was also evidence that grandparents were giving up work/reducing hours to look after their new grandchildren.

2.2 DJ said that BIS were currently looking at options around delivering this change. There would be a consultation in the first half of this year. Amongst the issues BIS would consult on would be the definition of grandparents and whether it should be restricted to just grandparents. Also how many people the mother could nominate to share ShPP. BIS were also looking at options on how to carry out the consultation to ensure they reached as many interested parties as possible.

2.3. One of the issues that would need to be addressed is the current legislation which limits ShPP to those who have main caring responsibilities. If three or more employees could claim ShPP then it was impossible to say they all had main caring responsibilities.

2.4 SM asked whether the consultation would be asking for views on employers etc. experience of operating ShPP. DJ commented that BIS had not yet had an opportunity to properly evaluate ShPP. DJ did therefore wish to use the consultation to, in part, get feedback from employers, employees

and software providers on their experience of ShPP. She was also keen to explore whether there were ways of simplifying the current system.

2.5 JP said that the whole system of maternity, paternity and adoption pay/leave was confusing-it needed to be rebranded and simplified. She also felt mothers needed to be more upfront with their employers from the outset. Some mothers didn't always immediately advise their employers that they were pregnant for the fear that they may lose out.

2.6 SP said that there was confusion around mothers' entitlement to SMP/SSP when they returned to work. JE commented that when a mother returned to work before her maternity leave period ended that she was entitled to SMP if she went off work again before her maternity leave period expired. SP said that while this was the case employees did often, in such circumstances, ask to be paid sick pay as it was in many cases higher than the SMP she would receive. From an employer's perspective they can recover SMP costs but not the costs of paying sick pay.

2.7 JP asked if there was not an option for HMRC to become more involved in the administration of ShPP particularly around the notification process. GY thought that HMRC would not be attracted to this proposition.

2.8 TT commented that from her own experience mothers did plan in advance what time they needed to take off work and child care arrangements etc. DJ said that she had also assumed that mothers would plan ahead. She had received feedback that this was not always the case and that many mothers waited until after the child was born before finalising their childcare etc. plans. This went to how flexible the notification process should be. TT felt there must be scope to simplify the current notification procedures.

2.9. SP said that all the claims to ShPP he had so far seen had been in single blocks.

2.10 DJ said that she wished to get a better understanding on the IT consequences of any change. Her initial thinking was that mothers' employers would not need to report details of all those connected to the mother who were claiming ShPP – the mother's employer would just need to provide the mother's details. The employer of any (non- mother) claiming ShPP would report, through RTI, the mother's name and NINO much as happens now.

2.11 LS said that HMRC would need to look at the current description of the RTI fields. SP said that there could be an issue if it was currently compulsory under RTI for an employer to report the partners name and NINO when an employee was in receipt of ShPP.

2.12 SM and SP thought that if the changes to the software systems were simply descriptive in nature then this wouldn't be too much of an issue.

2.12 JP pointed out that the vast majority of small employers didn't use the HMRC Toolkit and they would potentially need to buy an updated software package.

2.13 DJ said that she would welcome any direct feedback from non HMRC/BIS/DWP members of the group on these proposals. She was particularly keen to get further feedback on potential cost to business of delivering this change.

3 Statutory Sick Pay

3.1 CS attended the meeting and gave the group an update on current issues of interest.

4. Ministry of Justice – Tribunal Fees

4.1 LS explained the MOJ had issued a consultation paper last year regarding the introduction of Court and Tribunal fees.

4.2 LS advised that following this consultation the MOJ are planning to go ahead with the introduction of fees in Courts and Tribunals as soon as possible. (Tax Tribunal will be later than the rest) LS explained that Statutory Payment (SP) appeals would be impacted as they are heard by the Tax Tribunal.

4.3 LS explained that relatively few SP appeals went as far as the Tax Tribunal with the majority of them being settled before they got to that stage.

4.4 LS said that the MOJ have improved their fees remission scheme which provides financial assistance to customers who cannot afford the fees.

4.5 LS advised she will provide more information once a full response to the proposal has been received.

5. Next Meeting

5.1 The next meeting would be arranged for June. GY said he was retiring before then so it was likely that a Chris Tait from HMRC would take over the chair of the group.

Graeme W Young