

## **Minutes of Statutory Payments Consultation Group**

Date: Wednesday 6 July 2016  
Venue: 100PS, London  
Time: 1:30pm

In Attendance	Chris Tait (CT) Lisa Storey (LS) Debbie Jackson (DJ) Shelly Halksworth (SH) Marcia Bowen (MB) Samantha Mann (SM) Kate Upcraft (KU) Simon Parsons (SP) Tracy Taylor (TT)	HMRC - Chair HMRC BIS DWP Payroll Alliance CIPP ICAEW IREEN BCS Payroll
Apologies	Chris Sutton Linda Pullan	DWP Payroll Alliance

CT opened by thanking everyone for attending

CT then advised the group that following the retirement of Graeme Young, he would chair these meetings going forward.

CT then briefly introduced himself and provided details of his background, and the rest of the group did the same.

Minutes of last meeting - these were issued 8 March, and as no-one had come back with any amendments they were accepted as being a true record of events

1. Update on Shared Paternity Pay and the proposals to extend this to Grandparents. CT stated that this was quite a topic for discussion at the last meeting, and asked DJ to give an update from a BIS perspective. DJ explained that the consultation document had not been issued in the pre purdah period, and given the recent EU Referendum vote, and the fact that ministerial priorities may change, she could not say with any certainty when it would be issued. This obviously posed many challenges in terms of implementation of any changes, but BIS were working alongside DWP and HMRC with alternate plans, which at this point could not be shared wider. SM asked if the ongoing review of the existing ShPP system was still taking place, and DJ confirmed that it was,

and the results were due to be published in accordance with the timetable.

2. Statutory Payment Review. CT explained that the group would be aware that HMRC led on a piece of work last year to try and make some reforms to Statutory Payments, seeking to make improvements. CT thanked the group for their input into this process by providing customer insight in the form of providing responses to surveys and questions which were then collated by SM. CT stated that HMRC are looking at trying to improve the legislation and our guidance, make the system easier to manage for employers and ease their burden. LS then gave an update with regards to the recommendations HMRC have progressed so far and where we are with others.
  - HMRC has updated guidance on GOV.UK including that around Employment Payment Summaries (EPS) which was unclear when advance funding has been claimed. We are committed to continue reviewing and updating guidance to improve and clarify content where the need arises of feedback requires. LS explained HMRC are bound by GDS protocol therefore it is both helpful and beneficial if employers use the feedback button where problems are identified as this provides evidence that change is necessary.
  - Similar to above for the Statutory Payments Manual (SPM) is under ongoing review and we will continue to improve/update where required. LS added that a question was raised about revamped SPM and that it would be helpful if index could be provided to assist with updating links and as a result she will arrange to forward a guidance map to help mitigate this problem. As a result of the survey carried out by CIPP in which concerns were raised about the knowledge/expertise of the Employer Helpline HMRC have also arranged to carry out future workshops. The first is due to take place in October and we will then determine if and how often additional workshops are required. We are in the process of preparing relevant material which will hopefully enhance the knowledge base and will look at questions raised before October to include any additional material that may help. TT/LP offered to consult employers to provide areas of concern which we could include in the workshop material.
3. Salary Sacrifice - SSP interaction and Peninsula Judgement. CT advised that this was put on the agenda due to the recent developments. CT stated that it would be fair to say that there is no

impact on Statutory Payments calculations and that the current position on payment of childcare vouchers whilst on family leave does depend on what the contract of employment states. There were concerns that the judgement would impact salary sacrifice as it states CCV are remuneration rather than non cash benefits. Discussions continued as to whether this would impact NICs/Tax. LS said that the guidance was being amended however she would pass on the concerns and provide any additional information received. SSP - MB asked for clarity on how salary sacrifice interacts with SSP. LS advised that the Maternity and Paternity Rights Regulations protected employees on family leave but she was not aware of any corresponding legislation for SSP (DWP were also unaware of any legislation). LS advised that the contractual terms would dictate however she will check for guidance/legislation around this and advise accordingly. The group did ask if they could see copies of draft guidance prior to issue given its far reaching implications. HMRC to advise.

4. Calculation of Average Weekly Earnings for SMP and GOV.UK guidance. Again this was raised prior to the meeting as an agenda item. GOV.UK calculators do not cover mistimed payments however we have already requested that GDS add a caveat to the calculators to cover this. There were concerns raised as to why the calculators cannot cover all/most circumstances given the digital agenda and LS said she would look into this and consult GDS about possible updates to the calculator. Given this will not be a quick win the group suggested an article in the Employer Bulletin to alert Employers to this and LS agreed to arrange this. It was noted that the issue with the SP calculator was not just about mistimed payments but about anything other than earnings covering an 8 week period – i.e. any pay frequencies other than weekly or monthly
5. Statutory Payment Data. LS updated the group with regards to the Statutory Payment data HMRC hold and what we do with it. HMRC currently collect data from the National Insurance and PAYE records. A 3% scan of these records is carried out bi-monthly and the figures are then extrapolated to 100% to give an estimate on the numbers of employees claiming and the amounts claimed. We also collect employer recovery data annually. This provides details of the amounts of each SP recovered by employer schemes and

also includes the total amount of SP advance funding claimed. We also collect data on the number of disputes received, decisions issued, penalties issues and payments made as well as the number of SP calls made to the EHL by certain categories.

6. AOB. SP raised an issue with regards to RTI and EPS. There has been a rumour that the EPS was being abolished/withdrawn and concerns as to whether recovery was being looked at.  
LS/CT/DJ/SH all advised they were unaware of this and LS/CT said they had not been advised that the withdrawal of EPS was being considered. LS said she would make enquiries and provide any update ASAP.

There being no further business the meeting ended at 3:45pm. CT agreed to issue the minutes and confirm the date/time/venue of the next meeting which would hopefully be in November, subject to room availability.

### Action Points

- A. LS to issue guidance map
- B. TT to provide list of questions in advance of Employer Helpline Workshops in October
- C. LS to research advance funding issue relating to KU query
- D. LS to look at improving guidance around annual payments
- E. DJ to check ShPP detailed guidance around curtailment
- F. LS to check position/legislation on SSP and salary sacrifice
- G. LS to provide data from employer helpline re 'Hot Topics'
- H. SP to look at providing rundown of EPS issues
- I. LS/TT - TT to gather and provide data on affected employers regarding AWE (to give HMRC evidence to go back to GOV.UK to seek to change guidance/add a caveat re directors and annual payments)
- J. LS to consider article for next Employers Bulletin giving health warning over AWE calculator.
- K. HMRC to advise if they are prepared to let the SPCG see draft SalSac guidance prior to issue