

Payroll

Statutory Sick Pay

Statutory Sick Pay is a payment made to an employee if they are incapable of work through illness for 4 or more calendar days in a row.

It is paid for a maximum of 28 weeks in each period of incapacity for work.

The weekly rate for 2011/12 tax year is £81.60

There is also a daily rate paid if the employee is not due a full week's Statutory Sick Pay. The daily rate is the weekly rate divided by the number of qualifying days in a week. For SSP purposes the week always starts on a Sunday. Daily rates can be found in the Employers Help Book E14, 'What to do if your employee is sick'.

<http://www.hmrc.gov.uk/helpsheets/e14.pdf>

The majority of employees who are unfit for work through sickness may be entitled to Statutory Sick Pay but they must:

- Be employed directly by the employer and have worked for them under their contract.
- Be aged 16 and under 65 on the first day of sickness in a Period of Incapacity for Work (PIW).
- Be sick for 4 or more calendar days in a row. (Period of Incapacity for Work)
- Have Average Weekly Earnings of equal to, or more than, the Lower Earnings Limit (£102 per week 2011/12).
- Be a person whose earnings attract a liability for employer's Class 1 NICs or would if they were high enough.

The following are all entitled to Statutory Sick Pay if they qualify under the normal Statutory Sick Pay rules:

- Continental shelf workers.
- Agency workers.
- Part time workers.
- Married women and widows paying reduced rate NICs.

Some employees maybe excluded from SSP, and details of those can be found at

<http://www.hmrc.gov.uk/helpsheets/e14-supp.htm>

Statutory Sick Pay is paid for up to 28 weeks in either a single Period of Incapacity for Work or Linked Period of Incapacity for Work unless something changes.

If the employee's linked Period of incapacity for work spans 3 years then the payment of Statutory Sick Pay is stopped, regardless of whether or not the 28 weeks of Statutory Sick Pay has been paid.

The employee must inform their employer either

- In person.
- Earlier than the first Qualifying Day of their sickness.
- By a specific time on the first Qualifying Day.
- More than once a week.
- On a special form.
- On a medical certificate.

If the employer has their own rules then the employee needs to notify within 7 days of becoming unfit for work.

If the employer is told after this date it could be classed as a Late Notification.

If told in writing the date of posting is the date of notification.

The employee can provide a self-certification form from the 4th to the 7th calendar days, each time they are sick. (Nothing is required for the 1st to 3rd calendar days, as a Period of Incapacity for Work is not formed until the 4th day.)

After that, a doctor's statement is usually acceptable as good evidence of incapacity unless there is evidence to suggest otherwise.

Certificates may also be issued by e.g.

- Osteopaths;
- Chiropractors;
- Christian scientists;
- Herbalists; and
- Acupuncturists.

Employers shouldn't ask for medical evidence for the first 7 days of absence or for absences of less than 7 days, for Statutory Sick Pay purposes.

With new employees, the payment of SSP is complicated and help maybe required to establish if SSP is due.

The New Employers/Employers Helplines may be able to clarify.

New Employers (< 3 yrs)	0845 6 070 143
Employers (>3yrs)	0845 7 143 143

Or go to

<http://sspcalculator.inlandrevenue.gov.uk/SSP01.aspx>

Where a series of questions help establish whether there is a payment liability or not.

New Rules from 1st October 2006

The new changes are related to the commencement of the age discrimination law commencing on the same day. From that date it will be illegal for employers to discriminate against current or prospective employees by reason of age, and this has necessitated a change in the rules for entitlement to Statutory Sick Pay (SSP).

Currently an employee who is off sick at the age of more than 65 is not entitled to SSP. The new rules will give all employees entitlement to SSP irrespective of their age.

If the employee is already off sick on 1 October, the employer is required to treat them as if they went off sick on 1 October, and to count the normal waiting days from 1 October. The employee will only be entitled to SSP once the waiting days have elapsed. This applies even where the employee has been off ill for quite some time, and would already have served their waiting days, as the period prior to 1 October is ignored for SSP purposes.

An employee who goes off sick after 1 October is treated as sick from the first day of illness, even where this period of sick leave is within 8 weeks after a previous period of sickness ending before 1 October – all periods before that date are ignored completely for the purposes of the new SSP rules.

A Q&A can be found at

<http://www.hmrc.gov.uk/employers/statutory-payments-changes.htm>