



Employer Helpbook for Statutory Sick Pay

Including Statutory Sick Pay rates and tables.

Use from 6 April 2010 to 5 April 2011

Help and guidance

Help and guidance is available from the following sources.

The Internet



Go to our website at www.hmrc.gov.uk/paye

Employer CD-ROM



Your Employer CD-ROM has most of the forms and guidance you will need to help you run your payroll throughout the year. For more information about your Employer CD-ROM see the back cover.

Employer Helplines



Employer for **less** than 3 years
Phone the New Employer Helpline **0845 60 70 143**
Open 8.00am to 8.00pm Monday to Friday
8.00am to 5.00pm Saturday and Sunday

Employer for **more** than 3 years
Phone the Employer Helpline **08457 143 143**
Open 8.00am to 8.00pm Monday to Friday
8.00am to 5.00pm Saturday and Sunday

If you have a hearing or speech impairment, and use a textphone **0845 602 1380**
(Only people with specialised equipment such as Minicom are able to use this service)
Open 8.00am to 8.00pm Monday to Friday
8.00am to 5.00pm Saturday and Sunday

A list of helplines and opening hours is available:

- on our website, go to www.hmrc.gov.uk/contactus/helplines.htm
- on your CD-ROM
- in your Employer Bulletin, and
- in **The Phone Book** from BT.

In person



We offer free workshops covering all payroll topics. These workshops are available at locations nationwide. Further information is available from our website, go to www.hmrc.gov.uk/bst or by calling the Advice Team on **0845 603 2691**.

Forms and guidance in Braille, large print and audio

For details of employer forms and guidance in Braille, large print or audio call the Employer Orderline on **08457 646 646** and ask to speak to the Customer Service Team.

See the back cover for further help and guidance.

Overview of the SSP Scheme

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Quick guide

This is a high level overview of the SSP process. Page numbers are provided where you can find more detailed information. A list of frequently asked questions (FAQ's) is also provided.

SSP is paid to employees who are unable to work because of illness. SSP is paid at the same time and in the same way as you would pay wages for the same period.

As an employer you're responsible for paying SSP to employees who meet certain qualifying conditions. You also need to record any SSP you pay on the employee's form P11 *Deductions Working Sheet* - or equivalent record.

New SSP rate

The weekly rate of SSP for days of sickness from 6 April 2010 is £79.15. This is the same rate as last year.

SSP calculator

There is an easy and quick way to calculate SSP.

- The SSP calculator is available on our website - go to www.hmrc.gov.uk/payee/employees/statutory-pay/ssp-overview.htm The calculator will help you work out if your employee is entitled to SSP and if so, provide a schedule of the payments that you should make. It will also help you work out if you are entitled to recover any of the SSP you have paid to all your employees in each tax month.
- Your Employer CD-ROM also includes a calculator. Go to 'calculator' in the main menu.
- There is also a learning zone in your CD-ROM which will take you step by step through the process of paying and recovering SSP.

Qualifying conditions

An employee must meet all the following conditions to get SSP.

- They must be your employee - and they will need to have done some work under their employment contract before going off sick.
- They must be incapable for work for at least four days or more in a row. This is called a 'period of incapacity for work' (PIW). See 'Terms used in this helpbook' on page 4 for an explanation of PIW.
- They must have at least one Qualifying Day in each week - these are days they normally work. See 'Terms used in this helpbook' on page 4 for an explanation on QDs.
- Their earnings must be at least as much as the lower earnings limit (LEL) for National Insurance contributions (NICs). This is £97.00 a week from 2010-2011. See 'Terms used in this helpbook' on page 4.
- They must have notified you about their sickness - either within your own time limit or within seven days.
- They must provide you with medical evidence of their sickness if you require it, see page 10.

Time limits for notification

An employee telling you they are sick is the starting point for SSP. It is not evidence of incapacity, it is simply your employee letting you know why they are off work.

You can make your own rules about when and how your employee should notify sickness for your own purposes, subject to certain conditions, but you must tell your employees your rules for notification in advance.

For further information see page 9 under 'Time limits for notification of SSP'.

Medical evidence

You must tell your employees what you expect them to give you as evidence. This is not the same as notifying you that they are sick.

Your employees can self-certify sickness periods of up to seven days. They can do this using form SC2 '*Employees statement of sickness*' or your own equivalent form.

If the sick absence lasts more than seven days your employee must provide you with sufficient evidence of incapacity for work, if you require it. The medical certificate from a doctor is usually strong evidence of incapacity.

You can read more about the types of medical evidence you can ask your employees for on page 10.

When to start paying SSP

SSP isn't payable straight away. The first three Qualifying Days of a PIW are called 'Waiting Days' (WD's) when SSP isn't payable: SSP is payable from the first qualifying day after the three WDs.

Forms you may need to use

SSP2 SSP record sheet

An optional form designed to help employers keep the records required by law and those which you are recommended to keep. There is an interactive SSP2 on your CD-ROM.

SC2 Employee self-certification form

Can be used by employees to certify themselves as sick for the first seven days of sickness for SSP purposes. You can use your own self-certificate if you prefer.

SSP1 Why I cannot pay SSP

Employers **must** complete this form when an employee is not entitled to SSP, or when SSP has come to an end.

Once completed, the form must be given to the employee immediately, as this will help to support a claim for a Social Security benefit. You can get this form from the DWP website at www.dwp.gov.uk/publications/catalogue-of-information/all-products

For employers who are based in Northern Ireland (NI) or employers elsewhere in GB who have workers in NI, there is a NI version of form SSP1. Go to

www.dsdni.gov.uk/index/ssa/ssa_forms/ssaforms-ssp.htm

Paper copies of form SSP1 can also be obtained by going to www.dwp.gov.uk/publications/catalogue-of-information/how-to-order-products

HMRC sickness forms are available from:

- Employer CD-ROM
- Orderline **08457 646 646**
- www.hmrc.gov.uk/employers/emp-form.htm

Using your own versions of the sickness forms

You can produce and use your own computerised or paper versions of these forms. There is no formal approval process but they must include all the information held on the approved HMRC SSP forms.

Form SSP1

You can produce your own version of the form SSP1 as long as the following information from the original is included.

This must include:

- First page - About this form
 - If you are an employee
 - What to do now
 - How to claim
- Page 2 - Notes for employee
 - Where to get help and advice
 - For more information about SSP
 - For more information about benefits
 - Part A
 - Part B - date box
 - I cannot pay you SSP because

It is not necessary to reproduce the full list of reasons for refusal. This section can be tailored to give the specific reason(s) for the rejection in each case. The corresponding reference letter should also be given.

Part C - but could limit to only showing the relevant reason

Part D - All

Part E - as with part B - but could be limited to give the specific reason for rejection and should be the same as Part B. You may also incorporate this information into Part B if that is preferred

SSP2 - Statutory Sick Pay record sheet

This must include:

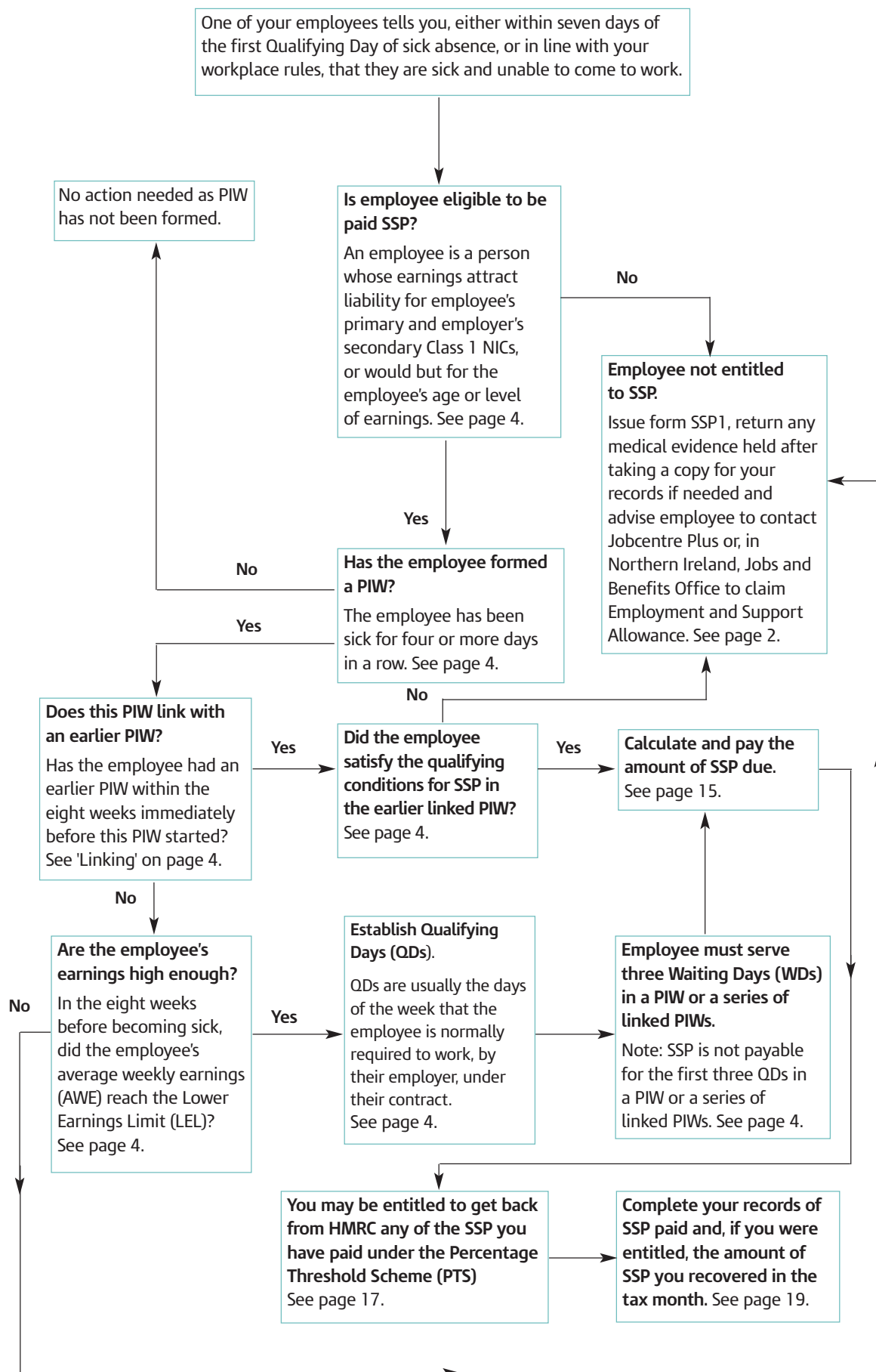
- employees name and National Insurance number
- a record of payment dates and the amount paid
- the date the SSP pay period began
- a record of any unpaid SSP with reasons

SC2 - Self-certification form

This must include:

- the employee name and National Insurance number
- their first day of sickness
- their last day of sickness
- the last day they worked before their sickness
- the nature of their sickness

Flowchart - operating the SSP Scheme



Terms used in this helpbook

Statutory Sick Pay (SSP)

A measure of earnings replacement for employees who are off work because of sickness. Employers are liable to pay this to all their employees who satisfy all the qualifying conditions when they are off work sick.

Employee

For Statutory Sick Pay purposes an **employee** is a person whose earnings attract a liability for employer's secondary Class 1 National Insurance contributions (NICs), or would but for the person's age or level of their earnings.

Employees include office holders, for example police officers, Members of Parliament, the judiciary and some company directors.

People who are classed as employed earners, for example, agency workers are also employees for SSP.

A person who does not have an employer in the UK that is liable to pay secondary Class 1 NICs on their earnings (for example some people who work in embassies) may pay voluntary employee Class 1 NICs. Such a person is not an employee for SSP purposes.

Employer

An **employer** is whoever is liable to pay the employer's secondary Class 1 NICs, or would be but for the employee's age or level of earnings. For SSP purposes, if you have to pay employer's secondary Class 1 NICs for your employees, or would but for their age or level of earnings and they satisfy all the qualifying conditions for SSP, then you will be responsible for making the SSP payment.

If you are not sure who is an employee and who is an employer for SSP contact the Employer Helpline on **08457 143 143**.

Period of Incapacity for Work (PIW)

A period of sickness lasting at least four or more days in a row. All days of sickness count towards the total number of days in a PIW, even non-working days. If there are less than four consecutive days there is **no** PIW and you need take no action. To check if an employee's PIW links with a previous PIW, see the tables on pages 35 to 38.

Lower Earnings Limit (LEL)

This is the minimum level of earnings that employees need to qualify for statutory payments such as SSP. It is also the minimum level that an employee's Average Weekly Earnings (AWE) must reach in a specific period for them to get SSP. See page 12 under 'Has your employee earned enough in the relevant period?' to work out AWE. For 2010-11 the LEL is £97.00 weekly.

Qualifying Days (QDs)

These are the only days you can:

- pay SSP for, and
- count as Waiting Days (WDs).

They are usually the days of the week your employee normally works; their contracted working days.

You can decide not to use the contracted working days if, for example, your workforce operates a varied or alternative working pattern each week. For simplicity you may want to have the same days each week as the QDs, but you **must** first reach agreement with your workforce or their representative(s) about which days will be QDs. You cannot use different QDs than the actual work pattern without agreement with your employees.

There must be at least one QD in each week running from Sunday to Saturday. Bank Holidays and other non-working days do not alter the normal pattern of QDs.

Waiting Days (WDs)

SSP is not payable for the first three QDs in a PIW.

These are called Waiting Days (WDs). They are not always the first three days of sickness as the employee may have been sick on non-QDs. Where PIWs are linked and all three WDs have been served in the first PIW, there will be no WDs in any later linked spells of sickness. But, if all three WDs have not been served in the first PIW, any remaining WDs must be served at the beginning of the next linked PIW or series of linked PIWs.

Normal payday

Regulations define a 'normal payday as either the payday specified in the contract, or the day on which the employee is usually paid if they have no contract or their contract does not specify a payday'.

Linking

Periods of Incapacity for Work (PIWs) are linked and treated as one PIW if the gap between them is eight weeks or less. Any subsequent spells of sickness must be four or more days in a row to form another PIW, otherwise there is no subsequent PIW to link with an earlier PIW. The tables on pages 35 to 38 of this helpbook will help you decide if PIWs are linked.

Linking letters

Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office give these forms to people who have recently received benefit. You will need to ask any new employee's who go sick for four or more days in a row in the first 104 weeks after they start, or return to work for you, if they were given one of these forms.

If they say they do not have one of these forms but you think they may have been getting IB/ESA from the Department for Work and Pensions (DWP) in the last 104 weeks, you can check with your local Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office to see if they are entitled to receive IB/ESA.

Employment and Support Allowance (ESA)

Employment and Support Allowance is a Social Security Benefit that replaced Incapacity Benefit, Income Support and Severe Disability Allowance, that is paid because of an illness or disability for new claimants from 27 October 2008.

Occupational Sick Pay (OSP)

You can choose to opt out of fully operating the SSP Scheme in favour of your own Occupational Sick Pay (OSP), see page 33. You must also still maintain records of sickness. See page 19 for details of what records you need to keep.

Percentage Threshold Scheme (PTS)

The scheme under which you may be able to recover some, or all, of the SSP you have paid to your employees in a tax month. See page 17 for more information.

Week

For working out SSP entitlement and payment, a week is a period of seven days starting on Sunday and ending on Saturday.

SSP daily rates tables

At the time this helpbook was printed changes in the rates for paying SSP, and for recovering SSP under the Percentage Threshold Scheme for the 2010-11 tax year were still subject to Parliamentary approval. Should Parliamentary approval not be obtained HMRC will inform you of any further changes on our website before 6 April 2010. SSP is payable for a maximum of 28 weeks in a PIW or series of linked PIWs. The rate of SSP for 2010-11 is expected to remain unchanged from last year at £79.15 per week.

There may be occasions when you only need to pay SSP for part of a week. If so you will need to calculate a daily rate of SSP. The daily rate of SSP is the weekly rate divided by the number of agreed Qualifying Days (QDs) in that week. For SSP purposes the week always begins with a Sunday. The amount payable that week is the daily rate multiplied by the number of QDs the employee is sick in that week, not including Waiting Days (WDs).

How to use this table to work out how much to pay

An employee is sick for one week, from Sunday to Friday. The QDs in that week are Monday to Friday.

The first three QDs, Monday to Wednesday, are WDs and SSP is not payable for those days so you need only pay SSP for Thursday and Friday.

There are five QDs in the week, so find '5' in the 'Number of QDs in week' column.

You have to pay SSP for two days so move across to the column headed by '2'. This gives an amount of £31.66 so that is how much SSP you must pay.

Daily rates table for days of sickness from 6 April 2010 to 5 April 2011

Unrounded daily rates *	Number of QDs in week	Number of days due						
		1	2	3	4	5	6	7
£11.3071	7	£11.31	£22.62	£33.93	£45.23	£56.54	£67.85	£79.15
£13.1916	6	£13.20	£26.39	£39.58	£52.77	£65.96	£79.15	
£15.8300	5	£15.83	£31.66	£47.49	£63.32	£79.15		
£19.7875	4	£19.79	£39.58	£59.37	£79.15			
£26.3833	3	£26.39	£52.77	£79.15				
£39.5750	2	£39.58	£79.15					
£79.1500	1	£79.15						

* Unrounded daily rates are shown for employers with computerised payroll systems.

Frequently asked questions

How do I calculate SSP?

There is a quick and easy method to calculate SSP which is available on our website, go to www.hmrc.gov.uk/employers

The SSP calculator will help you to work out if you have to pay SSP and how much you must pay to your employee, for an absence from work due to sickness for four or more days in a row. It will also help you to work out how much SSP you can recover for each tax month.

For a daily rates table for days of sickness see page 6.

What records should I keep?

You must keep records of all dates of employees' sickness lasting four or more days in a row and all payments of SSP and record any unpaid SSP with reasons. All records must be kept for at least three years after the end of the tax year to which they relate. For more information see 'Keeping records' on page 19.

What happens if my business becomes insolvent?

If you become insolvent whilst your employee is sick HMRC will pay your employee's SSP from the date of the insolvency. Your employee should be advised to contact the Statutory Payments Disputes on **0191 2255221**. For more information on insolvency see page 23.

My employee has been made redundant so do I still have to pay them SSP?

Entitlement to SSP only ends when the employee's contract ends. You must issue form SSP1 so that the employee can contact their local Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office to claim IB/ESA.

Can I recover any of the SSP?

SSP may be recoverable under the Percentage Threshold Scheme (PTS) which is designed to help employers who have a high proportion of their workforce sick at any one time and is not restricted to small businesses. Unless you qualify under the PTS you are not entitled to recover any of the SSP paid to your employees. For more information see 'Recovering SSP' on page 17.

What if I don't have enough money to pay SSP to my employee?

If you are entitled to recover SSP under the PTS, as above, you can apply to your Accounts Office for payment. For more information see 'Recovering SSP' on page 17.

My employee is pregnant and is off work with a pregnancy related absence – do I pay SSP or SMP?

This depends on when the baby is due and the length of absence. SSP is payable up to the start of any Maternity Pay Period but SSP is not payable during the 18/39 week disqualifying period. For more information see 'Employee pregnant' - the disqualifying period on page 22.

I operate an Occupational Sick Pay (OSP) scheme – do I still have to follow the rules for SSP?

Even if you operate your own occupational or work based sick pay scheme you need to be aware that the provisions of the SSP Scheme still need to be taken into account when deciding when you need to give an employee form SSP1 or if you are able to make a recovery under the Percentage Threshold Scheme (PTS).

If your scheme makes OSP payments to your employees that are as much as or more than the SSP rate for each day that your employee is sick and their entitlement to OSP can continue for at least 28 weeks, then you do not need to operate all aspects of the SSP Scheme and your record keeping requirements are reduced. For more information see 'Operating your own Occupational Sick Pay (OSP) scheme' on page 33.

My employee has previously been sick in the last few weeks – will this affect what I pay now?

Where a PIW is separated from an earlier PIW by a gap of not more than eight weeks, (that is 56 days), the two absences 'link' and are treated as one PIW. A PIW must always be formed before there can be a link, so your employee must be sick for at least four or more days in a row. For more information see 'Linking Periods of Incapacity for Work (PIW)' on page 11.

My employee has been with me less than eight weeks. How do I calculate their Average Weekly Earnings (AWE)?

There are special rules for new employees who have not worked for you long enough for the normal AWE rules to apply. These employees fall into two groups, employees who have not received payment covering at least eight weeks at the time the PIW begins and employees who have not received any payment at the time the PIW begins. For more information see 'New employees who have not had eight weeks earnings yet' on page 13.

My employee works different days each week. How do I calculate the Qualifying Days?

For simplicity you may want to have the same days each week as QDs, but you must first reach agreement with your workforce or their representative(s) about which days will be QDs. There must be at least one QD in each week running from Sunday to Saturday. For more information, see page 4.

New from 6 April 2010

Revised statements on fitness for work

As part of the wider package of reform, the Department of Work and Pensions intends to amend the current medical statement or 'sick note'.

The current statement limits the information doctors can provide to patients and their employers about fitness for work. Changing the form will allow GPs to provide advice to their patients about how their condition affects their fitness for work, which could prove to be an important aspect of the patient's recovery and return to work.

The revised medical statement will continue to allow GPs to advise whether an employee should refrain from work, but will also be able to advise whether it would be appropriate for them to do some work. This will give employers greater flexibility in managing sickness absence. Where this advice is given, the doctor will provide additional information which will help employers consider whether basic adjustments could be made to assist someone to return to work. (For example, allowing someone with back pain to take regular breaks away from their desk for exercise).

The employer will not be bound to implement the doctor's suggested changes which will be provided at the discretion of employers and with the agreement of the employee. Where no changes are made, the medical statement should be considered as evidence of the individual being unfit for work for sick pay purposes.

These changes are subject to Parliamentary approval. However, it is intended that the revised medical statement will be introduced in April 2010. Guidance, including how the changes affect SSP will be made available in February 2010.

More information on the revised medical statement and guidance will be published on www.workingforhealth.gov.uk

Paid leave during SSP

Under a European Court Ruling in January 2009, any employees are entitled to paid leave during periods of sickness.

Where an employee who is on sick absence and in receipt of SSP, takes paid leave, their entitlement to SSP continues if their period of incapacity to work continues.

You can offset the paid leave earnings against the SSP you have to pay for the same day(s) and as long as you pay earnings of at least the daily SSP rate due for each QD.

You would not need to make any other payments, unless you wish to. However, if the amount due for paid leave is less than the amount due for SSP on the same day, you must top the payment up to at least the level of SSP.

The above guidelines apply to all employees on sick absence on or after the date of the ruling on 20 January 2009.

General information

Employees and employers in Northern Ireland

Arrangements in Northern Ireland are similar to those in Great Britain, but there are differences in detail.

- Northern Ireland has its own legislation covering SSP.
- The Incapacity Benefit Branch (IB), Castle Court, Belfast deals with Incapacity Benefit claims. For more information go to www.dsdni.gov.uk or phone **0289 03 36 000**.
- Free confidential advice on employment law is available from the Labour Relations Agency (LRA). Go to www.lra.org.uk or phone **028 9032 1442**.
- For employers in Northern Ireland or employers based elsewhere in the UK but with employees who work in Northern Ireland, there is a Northern Ireland version of form SSP1 to use where an employee is not entitled to SSP. Go to Social Security Agency (SSA) website at www.dsdni.gov.uk/ssp1_cp.pdf

Further information

For more information about SSP you can go to:

- www.direct.gov.uk
- www.businesslink.co.uk

For more information about employment rights employees and employers can contact Acas at www.acas.org.uk or phone **08457 47 47 47**.

Operating the SSP Scheme

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- Has your employee given you the right medical evidence
- Periods of Incapacity to Work (PIW)
- Has your employee earned enough in the relevant period?
- How to work out the relevant period
- Paying SSP
- When does payment stop?
- Recovering SSP
- Keeping records

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Time limits for notification of SSP

How your employee must tell you

For SSP purposes, you **cannot** insist that your employee notifies you:

- in person
- earlier than the first Qualifying Day (QD) in a spell of sickness
- by a fixed time on the first QD
- more often than once a week during the sickness
- on a special form
- on a medical certificate.

If you wish, you can make one set of rules for the first notification in a spell of sickness and another set of rules for the second and following notifications in the same spell of sickness.

If you don't make your own rules, your employee must notify you of their incapacity within seven days of their first day of absence.

Employee doesn't tell you

If your employee doesn't notify you of sickness absence within:

- the time you fixed, or
- seven days of the first day of incapacity, and
- if you consider that there was good cause for delay, you must accept that the notification was given correctly if it is given
 - within one month of the time you specify, or in the seven day period after the relevant day(s) of incapacity, or
 - up to 91 days after the relevant day(s) of incapacity, if you are satisfied that it was not reasonably practicable for the employee to notify you within the month.

If you have accepted that the notification was given correctly, your employee will be entitled to SSP from the beginning of their absence as if they had notified you on time. There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

Withholding payment for late notification

You can withhold payment of SSP for the period of the delay if the notification is given outside these time limits and **you do not** accept there was good cause for delay. If you decide to withhold payment you should treat the date of the late notification as the first Qualifying Day for SSP.

For example, your employee is sick from Sunday to Saturday and their agreed QDs are Monday to Friday. Your rules are that employees must notify you of sickness on the first QD of sick absence, in this case Monday. If they delay notification without good cause until Wednesday, you could withhold payment of SSP for Monday and Tuesday. There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

Has your employee given you the right medical evidence?

Evidence of incapacity for work

You must tell your employees what you expect them to give you as evidence of incapacity for SSP purposes and when you expect them to give it.

Incapacity for four to seven days

For spells of sickness lasting four to seven days, you may accept self-certification verbally or by letter, or they can use form SC2 for self-certification, or your own equivalent form.

Incapacity lasts more than seven days

After the seventh day, you can ask for reasonable medical evidence but can only ask for a doctor's statement after the first seven days in a spell of sickness. You can then ask for regular doctor's statements to cover the balance of the sick absence.

As an employer, the decision on whether or not evidence of illness is required, and if so, what evidence is acceptable, ultimately rests with you.

Remember a doctor's statement is strong evidence of incapacity and should usually be accepted as conclusive unless there is more compelling evidence to the contrary.

You can't withhold SSP for late receipt of medical evidence. The late receipt of medical evidence could be, for example, because your employee is unable to get an appointment with their GP by the eighth day of incapacity or that their sickness has unexpectedly continued or recurred into the eighth day and an appointment with their GP has only just been arranged.

You may also find that your employee gives you certificates from someone who is not a registered medical practitioner, such as:

- osteopaths
- chiropractors
- Christian Scientists
- herbalists
- acupuncturists.

You should consider such certificates on their own merits. It is for you to decide whether or not you accept this evidence. If you have any doubts you can still ask for a doctor's statement.

Opinion from Medical Services

If you have strong doubts about your employee's sickness but don't have access to your own 'works' doctor, you can ask HMRC to arrange for your employee to be medically examined by their medical services provider.

The Medical Services report will give an opinion on your employee's fitness for work in their job with you. This will help you to decide if the employee is incapable of work in their job with you or not.

You can also use this service where the employee has been repeatedly off sick for four to seven days in a relatively short period.

There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

If you wish to get advice from Medical Services, you should write to:

HM Revenue and Customs National Insurance Office
Statutory Payments Disputes Team
Room BP2301
Benton Park View
Newcastle upon Tyne
NE98 1ZZ

explaining that you are seeking Medical Services help about your employee.

Employee provides you with a non-UK medical certificate

If your employee provides you with a non-UK medical certificate for a period when they were abroad during sick absence that requires translation into English, HMRC can only arrange translation where you are in dispute with your employee on their SSP entitlement, otherwise you should refer the medical certificate to an outside translator.

Periods of Incapacity for Work (PIW)

How long has your employee been sick?

They must be sick for four or more days in a row to be able to get SSP from you. If your employee has been sick for four or more days in a row and sick absence continues but they are not entitled to SSP, you must complete form SSP1, or your own version, so that they can claim Incapacity Benefit (IB) or Employment and Support Allowance (ESA) from Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office.

Linking Periods of Incapacity for Work (PIW)

Where a Period of Incapacity for Work (PIW) is separated from an earlier PIW by a gap of not more than eight weeks, (that is 56 days), the two absences 'link' and are treated as one PIW.

A PIW must always be formed before there can be a link, so your employee must be sick for at least four or more days in a row (non-working days and non-qualifying days count) otherwise there is no later PIW to link with the earlier one. The PIWs do not have to be for the same sickness or incapacity for them to link.

Odd days of sickness do not form a PIW and cannot link. The tables on pages 35 to 38 will help you work out if your employee's PIWs link.

A quick example is:

- your employee is sick from 21 August to 27 August and is entitled to SSP
- this spell of sickness is four or more days, it forms a PIW and SSP may be due
- the employee is sick again from 22 September to 24 September
- the second spell of sickness is less than four days. It therefore does not form a PIW and is not covered by the SSP Scheme
- the employee is sick again from 23 October to 31 October
- the third spell of sickness is four or more days so a PIW is formed. The gap between 27 August and 23 October is 56 days so the two PIWs link and no Waiting Days would need to be served for the third spell of sickness.

Has your employee earned enough in the relevant period?

What counts as earnings?

Use the amount actually paid before deductions such as PAYE, NICs and pension contributions.

Average Weekly Earnings (AWE) should include all earnings that attract a Class 1 NICs liability, or would if they were high enough.

Such earnings would consist of:

- any salary or wages (including cash allowances - for example, car allowance) and money paid in the period earned outside the period, such as holiday pay, overtime and lump sums paid for arrears of pay
- any other element of the person's earnings which is chargeable to Class 1 NICs (including in very limited circumstances Class 1B)
- shares or share options
- retail and other vouchers (where the cost is taxable under the P11D procedure and subject to Class 1 NICs)
- Statutory Sick Pay
- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Adoption Pay.

SSP entitlement depends on your employee's AWE in a relevant period. You will need to work out the dates of the relevant period and how much, on average your employee has been paid in that period. See page 14 to see if they qualify but if you are in any doubt or your employee disagrees with your decision, you must work through the detailed checksheet on page 25.

For help online go to www.hmrc.gov.uk/calcs/ssp.htm for an interactive SSP calculator or have a look on your CD-ROM where you will find a calculator and a learning program to help you understand your SSP responsibilities.

Where a salary sacrifice arrangement is in place, see paragraph in right-hand column of this page.

When to include earnings from PAYE Settlement Agreements and subject to Class 1B NICs

If an employee does not qualify because their AWE in the 'relevant period' are less than the LEL, you must check whether they received any benefits or expenses, which would otherwise have attracted Class 1 NICs liability, within the 'relevant period', but were subject to a PAYE Settlement Agreement and Class 1B NICs.

If they did, you must recalculate their AWE to include these expenses and/or benefits, on which Class 1B NICs were paid, to see if they qualify.

Overpaid/underpaid earnings during the relevant period

Calculation of AWE is always based on all earnings actually paid to the employee within the relevant period, regardless of any over or underpaid wages in that period.

So where over or under payments of wages occur within the relevant period, they are treated in the same way as all other earnings paid in that period for calculating AWE to decide if SSP is due.

Mistimed payments

It is important that the following provision is only applied to regular payments of earnings paid other than on their normal date.

If you have paid an employee's wages earlier or later than the normal payday at the beginning or end of a relevant period because of a particular event, such as an annual holiday, you should divide the total earnings by the number of weeks' wages that you have paid rather than the number of weeks in the relevant period.

For example, a weekly paid employee is taking two weeks paid holiday so you pay them three weeks' wages on the last payday before they take their leave. They go sick six weeks after their holiday. The relevant period for SSP starts on the first day of their holiday. This means that you only paid them six weeks wages during the eight week relevant period as you had paid their wages for the first two weeks before the beginning of the relevant period.

To give the correct AWE you should divide the total earnings actually paid in the relevant period by six, as the earnings represent only six weeks' wages.

Multiple or changed pay frequency in the relevant period

Where, for example, an employee normally has both weekly and monthly paydays or they change from weekly to monthly paid within the 'relevant period', the average (unrounded figure) in each pay pattern is calculated separately then added together to get the total AWE.

Salary sacrifice

If an employee has entered into a salary sacrifice with you, their AWE is calculated using the amount of earnings actually paid to them during the relevant period. For more information on salary sacrifice go to www.hmrc.gov.uk/specialist/salary_sacrifice.htm

Non contractual benefits

For the purposes of calculating AWE for SSP the calculation is based on earnings which are subject to NICs.

Some schemes for childcare support provided by you and made available to your employees may be exempt from PAYE tax and Class 1 NICs such as childcare vouchers.

The value of childcare vouchers provided during a period of sickness may not be deducted from SSP.

Where an employee agrees to accept childcare vouchers as part of salary sacrifice, their SSP entitlement will be assessed on their gross earnings on which NICs are payable.

For further information on the treatment of childcare vouchers and other contractual benefits and expenses, go to www.hmrc.gov.uk/payereporting-az.htm

Therefore the value of any benefits which are exempt from Class 1 NICs (such as some childcare vouchers) will not be included in the AWE calculation.

Employees with more than one job with you

Your employee could have more than one job with you.

If the employee's earnings from all their jobs with you have to be added together to work out Class 1 NICs they also have to be added together to work out the employee's AWE for SSP purposes, and the employee can only get one lot of SSP.

If Class 1 NICs are worked out separately on the employee's earnings from each job, you must work out their AWE separately, and the employee can get more than one lot of SSP.

For more information on how to work out Class 1 NICs for employees with more than one job see CWG2(2010) *Employer Further Guide to PAYE and NICs*.

New employees who have not had eight weeks earnings yet

Employees who have not worked for you for long enough for the normal AWE rules to apply, or have worked for you before in a previous contract which doesn't link with the current contract, fall into two groups.

Employees who have not received:

- payments covering at least eight weeks at the time the PIW begins, and
- any payments at the time the PIW begins.

Use the checksheets on pages 35 to 38 to work out the AWE.

Earnings do not cover eight weeks

Where the last normal payday before the PIW has been established but previous paydays covering at least eight weeks' pay have not, regulations provide for an employee's AWE to be calculated differently. In these circumstances calculate it using the period represented by all the earnings, paid under the contract before the first day of sick absence, as the 'relevant period'.

So if the employee only received three days wages, the relevant period is three days. To get the average weekly figure divide the three days' wages by three and multiply by seven regardless of the number of days a week the employee is expected to work.

Where the employee is paid multiple weekly or calendar monthly, and they have received only one payment before the PIW, the relevant period is the number of weeks the payment relates to.

For example, an employee is paid 3- weekly and receives only one 3-week payment before the start of their PIW.

To calculate the average weekly earnings, divide the payment by 3, as in Step 5 of the weekly checksheet on page 25.

No earnings yet paid

Where the employee falls sick before they have had their first payday, you should use their contractual earnings to see if they earn enough to get SSP.

Work out how much a week they will earn based on the due rate of pay for their job. If their AWE will be £97.00 or more they will qualify.

Rounding to the nearest whole month when there isn't a whole number of months in the relevant period

For monthly paid staff, where there is a part month payment in the relevant period, between the dates at 2 and 1, use the checksheet on page 25.

When you get to Step 4 of the monthly checksheet, work out the number of rounded months as follows:

- count the number of whole months
- count the number of odd days
- round the number of odd days up or down in line with these rounding rules.

If the date at 2 is in:

- February, round 14 days or less down and 15 days or more up
- any month except February, round 15 days or less down and 16 days or more up.

Then use the number of rounded months at Step 4 and follow the rest of the steps on page 25.

How to work out the relevant period

You need to work out the 'relevant period' to establish the earnings to be used and the earnings period. All earnings paid in the 'relevant period' will be divided by the number of days, weeks or months in that 'relevant period'.

Regulations define the 'relevant period' as the period between:

Date 1 the last normal payday before the first complete day of sick absence. This payday is **Date 1** and is the end of the 'relevant period', and

Date 2 the last normal payday falling not less than eight weeks before the payday at **Date 1**. **Date 2** is the day after this payday and is the start of the 'relevant period'.

You must include all the earnings paid on, or after, **Date 2** up to and including those paid on **Date 1**.

If your employee has a contractual payday this is always the normal payday, even if you pay them early in a particular month.

Example - weekly paid employee

Employee paid every Friday.

First full day of sick absence 10/11/10.

Payday at least eight weeks before 05/11/10											Last payday before the first day of sick absence (end of relevant period) - Date 1
	Start of the relevant period - Date 2										
		Paydays									
10/09	11/09	17/09	24/09	01/10	08/10	15/10	22/10	29/10	05/11		
Earnings										Total	
-		140.11	140.00	100.00	120.00	130.00	108.10	130.00	102.00	970.21	

The relevant period is therefore from 11 September to 5 November 2010.

Average Weekly Earnings - total earnings $\pounds 970.21 \div 8 = \pounds 121.27625$.

Do not round the average earnings figure up or down to whole pence.

Example - monthly paid employee

Employee paid on the last working day of each month.

First full day of sick absence 14/11/10.

Payday at least eight weeks before payday on 29/10/10				Last payday before the first day of sick absence (end of relevant period) - Date 1	
	Start of the relevant period - Date 2				
		Paydays			
31/08/10	01/09/10	30/09/10	29/10/10		
		Earnings		Total	
-		685.75	723.55	1,409.30	

The relevant period is therefore 1 September to 29 October 2010

Average Weekly Earnings - total earnings = $\pounds 1,409.30 \div 2 \times 12 = \pounds 8,455.80 \div 52 = \pounds 162.61153$.

Do not round the average earnings figure up or down to whole pence.

For further examples and checksheets see pages 25 to 27.

Paying SSP

Starting payment

SSP is paid at the same time and in the same way as you would pay wages for the same period. A full week for SSP purposes begins with a Sunday and ends at midnight the following Saturday. If you pay in cash you will need to ensure that you have arrangements in place so that sick employees are paid SSP on their normal payday.

You cannot pay SSP:

- in kind
- as board and lodging
- by way of service.

SSP must be paid for all periods of entitlement regardless of whether or not earnings would normally be due for the same period.

Once you have decided that your employee has satisfied the qualifying conditions, see pages 9 to 14 for the qualifying conditions, you can start paying SSP.

How much do I pay?

You should now work out how much SSP is due and pay it on the same day that you would normally pay their wages for the same period.

You only pay SSP for Qualifying Days (QDs). These are usually the days your employee normally works for you, see page 4. So, if your employee works the same QDs each week, then you will pay the weekly rate of SSP for each full week that they are sick.

For periods of sickness lasting less than a week, then you will only need to pay SSP for part of a week using the daily rates table on page 6

If your employee works on different days each week or has a rota covering two or more weeks you can come to an agreement as to which days should be treated as QDs. You can use the days in each week that the employee works but there must be at least one QD in each week, even if they wouldn't normally work in that week. For example, if an employee has a two week rota where they work Monday to Friday in the first week but then they don't work at all in the second week, the QDs could be Monday to Friday for the first week and Wednesday (but any day of the week would do) for the second week.

You never pay SSP:

- for Waiting Days (WDs) (the first three QDs of the PIW)
- if only two WDs have been served in the first PIW then one more must be served in the second PIW if it links with the first one.

You usually pay SSP:

- from the fourth QD in a PIW, or
- from and including the first QD of the second PIW if the PIW links to an earlier PIW and the WDs have been served. The WDs do not have to be served again.

You pay SSP for a maximum of 28 weeks in a PIW or series of linked PIWs. You can work out when you will have paid 28 weeks' worth of SSP by keeping a running total of all SSP paid in a PIW or in a series of linked PIWs. You can use form SSP2 for this purpose. So the maximum you can pay is 28 times the appropriate weekly rate in any linked or unlinked PIW. The daily rates table on page 6 gives you the daily, or multiple daily rate of SSP, also guidance on and an example of how to use it.

Deductions from SSP

You treat SSP just like pay, so you must make deductions for PAYE and NICs. Any other deductions which you lawfully make from pay can also be made from SSP, for example, pension contributions, Student Loan deductions and attachment of earnings orders.

Offsetting SSP against employee's pay

Pay means any earnings, which count for NICs purposes, paid to an employee under a contract of service. For example, wages or Occupational Sick Pay (OSP) scheme payments. You can offset contractual earnings payments against the SSP you have to pay for the same day(s) so long as you pay earnings of at least the daily SSP rate due for each QD. You do not need to pay SSP on top of these payments unless you wish to do so.

If a payment of SSP and a contractual payment are due for different days, they cannot be offset against each other.

If you pay contractual pay, which amounts to more than any SSP entitlement, then you may be able to choose not to operate all the rules of the SSP Scheme.

Opting out from fully operating the SSP Scheme

You can choose whether or not to operate all the rules of the SSP Scheme, but only if you pay your workers contractual pay that is equal to, or more than, the SSP they are entitled to for each day of their sickness. See 'Operating your own Occupational Sick Pay scheme (OSP)' on page 33.

There is no need to apply to do this and you are free to apply it to some employees and not others, or to some periods of sickness and not others.

If you choose to use this option your employee will still have underlying entitlement to SSP and you must still keep enough basic sick records so that you can issue forms SSP1 to employees in appropriate circumstances, see page 21, 'Employees who can't get SSP from you'.

When does payment stop?

Employee returns to work for you

You usually stop paying SSP when your employee returns to work. You should work out if any SSP is still owing to them for days of sickness before they returned to work and pay it on their next normal payday.

Maximum 28 weeks' entitlement paid

If your employee is still off when you have paid SSP for 28 weeks, fill in form SSP1 and send it to your employee **without delay**. Your employee will need to use form SSP1 to claim Incapacity Benefit (IB) or Employment and Support Allowance (ESA).

If you know in advance that your employee will continue to get SSP for the full 28 weeks, you should issue form SSP1 at the 23rd week to ensure there is a smooth change over to IB/ESA.

Recovering SSP

Recovery of SSP paid under the Percentage Threshold Scheme (PTS)

You may be able to recover some, or all, of the SSP you have paid. The PTS is designed to help employers who have a high proportion of their workforce sick at any one time so it is not restricted to small businesses.

Unless you qualify under the PTS, you are not entitled to recover any SSP.

You can recover some of the SSP paid to your employees if the total amount of SSP paid in a tax month is greater than a set percentage of your gross Class 1 NICs (employer's and employee's) liability for that tax month. The amount you can recover is the SSP you have paid over and above the set percentage threshold of your NICs liability. The percentage threshold is currently set at 13%. To find out if you qualify for recovery of any SSP paid see the paragraph headed 'Working out how much you can get back' in right-hand column of this page.

Employers with more than one PAYE scheme

If you have more than one PAYE scheme, for the same business, you must add together the NICs liability and the SSP payments for all related schemes for the same business before calculating whether you are entitled to reimbursement for that month under PTS. For SSP purposes it is your total NICs liability for that business, and not the amount paid under a particular PAYE scheme which determines whether or not you are entitled to recover SSP.

Where does the money come from?

If you are entitled to recover SSP under the PTS, you can recover SSP by using the money you have to pay over to HMRC for:

- PAYE tax
- Class 1 NICs
- Student Loan deductions
- Construction Industry Scheme deductions, and
- the employer's share of Class 1 NICs, which you are due to pay over to HMRC.

You may also need to use this money to pay other statutory payments, so you may not have enough money to get back all you are due in the tax month.

If not, you can use the money due next tax month to get back any balance owing.

Get help with statutory payments funding

If you are entitled to make a recovery under the PTS and you need to get the SSP you have paid to your employees back quickly, or, in exceptional circumstances, you do not have the funds to pay SSP to your employees which you would have been able to recover, you can apply to your Accounts Office for payment. You can do this where, for example, the amount of money you need to pay out exceeds the amount you will have available for the same tax month or quarter.

You can ask your HMRC Accounts Office to pay you the balance of the amount you are entitled to.

You can now apply online at www.hmrc.gov.uk/payee/employees/statutory-pay/funding.htm select the option to recover SSP.

Applying for advance funding

The way that you apply for advance funding depends on whether the statutory payment is relevant to the current tax year or a previous tax year.

Statutory Payment relevant to the current tax year

You can apply online at www.hmrc.gov.uk/payee/employees/statutory-pay/funding.htm

You should tell them the information set out in the quick check box below and ask for advance funding.

Statutory payment relevant to a previous tax year

If the SSP is relevant to a previous tax year you cannot apply online, you must write to your HMRC Accounts Office.

You should tell them the information set out in the quick check box below and ask for advance funding. You should record the payments of SSP as normal, see 'Recording payments of SSP' on page 19.

Working out how much you can get back

Whether or not you pay your tax and NICs monthly or quarterly, you must work out any recovery separately for each tax month.

You need to bear in mind that the period for calculating the recovery of SSP runs from the 6th of the month to the 5th of the next month which means that the monthly NICs and SSP totals recorded on the P11 and P32 may not be the same as the monthly totals needed for calculating the recovery of SSP under the PTS.

In order to ensure you recover correctly, you can use the SSP calculator on the HMRC website at www.hmrc.gov.uk/calcs/ssp.htm

Quick check box

To work out if you can get back any of the SSP you have paid you need to:

1. Add together the SSP you have paid to all your employees in all your PAYE schemes in the tax month.
2. Add together your gross Class 1 NICs liability in all your PAYE schemes for the same tax month and calculate 13% of this sum. Round down any fractions of a penny at the end of this calculation.
3. If the amount at 1 is more than the amount at 2, you can recover the difference.

Deduct the amount you can recover from money due to HMRC for that tax month. If the amount you can recover is more than your monthly or quarterly payment due, carry the balance over to when your next payment is due and recover it then.

For example

Total Class 1 NICs due for tax month	£75.00
13% of that is	£9.75
Total SSP paid in tax month	£160.00
Amount you are claiming	£150.25

No PAYE payment to make

If, after deducting your statutory payment(s) from your current or next PAYE payment to HMRC you do not have a payment to make to HMRC, you must advise HMRC. If you do not, you may receive reminders or phone calls.

There are several ways to advise HMRC that you do not have a payment to make.

1. Complete an online form (see www.hmrc.gov.uk/payinghmrc/pay-nil.htm for details).
2. Send HMRC a signed payslip for the correct month or quarter marked 'NIL due'.
3. Ring HMRC on **0845 366 7816** – you will need to provide your Accounts Office reference number and the details of the month or quarter where no payment is due.

If you believe no payments will be due for several months please contact HMRC on **0845 366 7816**.

Incorrect payment of SSP

If you make an incorrect payment in the current year, you must:

- put it right
- correct your records, payments and deductions from money due to your Accounts Office.

If you have issued form SSP1, contact the Jobcentre Plus Local Benefit Delivery Service or, in Northern Ireland, the Jobs and Benefits Office, as it may affect your employee's right to claim Social Security benefit.

Remember an incorrect payment in one period of sickness may affect a later one.

If you find you have made a mistake in an earlier tax year, you must contact your nearest HMRC office. They will tell you what to do to correct it.

See CWG2(2010) *Employer Further Guide to PAYE and NICs* for information on how to correct errors in recording NICs.

Any incorrect payment of SSP may be recovered from your employee and you should treat this as you would an underpayment/overpayment of wages or salary. It should be recorded as wages or salary not SSP.

Recovery of SSP paid in a previous tax year

If you need to recover SSP that you have paid in a previous tax year, you cannot claim this from your Accounts Office.

You should complete form SP32 to get the money back. You can print these forms from the Employer CD-ROM or go to www.hmrc.gov.uk/employers/emp-form.htm

They can also be obtained from your nearest HMRC office or from the Employer Orderline on **08457 646 646**.

Send the completed form SP32 to:
HM Revenue & Customs
National Insurance Contributions Office
CORT Multi-erroneous
Refunds Group Contributor Group
Room BP1001
Benton Park View
Newcastle Upon Tyne
NE98 1ZZ.

Keeping records

What records you must keep

All records must be kept for at least three years after the end of the tax year to which they relate.

You must keep:

- all dates of employee sickness lasting four or more days in a row, including for employees who are under 16 years old
- a record of the payment dates and the amount paid during each PIW
- the date the pay period began
- a record of any unpaid SSP with reasons
- form SSP2 Statutory Sick Pay (SSP) record sheet. This is available on the Employer CD-ROM or from the Orderline **08457 646 646** to help you keep a record of your payments.

Recording payments of SSP

You must record all payments of SSP made to your employee on their P11 or P12 *Deductions Working Sheet* or your own computerised equivalent.

For each week or month that you pay SSP to your employee and also make a recovery, complete column 1g on form P11 *Deductions Working Sheet* or your own computerised equivalent, and include the SSP paid in the gross pay in column 2.

You must record the amount of SSP recovered in column 5 of your form P32 *Employment Payment Record* or equivalent record.

Bear in mind that the period for calculating the recovery of SSP runs from the 6th of one month to the 5th of the next month. This means that the monthly NICs and SSP totals recorded on the P11 and P32 may not be the same as the monthly totals needed to calculate the recovery of SSP under PTS.

In order to ensure that you calculate your recovery correctly you can use the SSP calculator on the Employer CD-ROM or the calculator on the Internet at www.hmrc.gov.uk/calcs/ssp.htm There is also an electronic SSP2 (SSP *record sheet*) on the Employer CD-ROM which will help you to keep a record of the amounts of SSP paid to your employees.

At the end of the tax year you must complete and file an Employer Annual Return (P35 and P14s).

On your form P35 enter the amount of SSP you have recovered.

On your forms P14 you can either record:

- the amount of SSP paid to the employee in those tax months for which an amount has been recovered under the Percentage Threshold Scheme, or
- the amount of SSP paid in all tax months not just the tax months where you made a recovery.

For more information go to Employer Helpbook E10 *Finishing the tax year up to 5 April 2010* and E11 *Starting the tax year from 6 April 2010* on the Employer CD-ROM or go to www.hmrc.gov.uk/paye/onlinefiling.htm

SSP payments and/or recovery covering more than one tax year

You cannot make a recovery in one tax year that relates to SSP payments made in a previous tax year. For more information about how you can recover payments made in a previous tax year, see page 18.

Where payments and/or recovery of SSP start in one tax year and end in a later tax year, you should only record the payments and/or recovery that relates to that tax year on your end of year records. This is to ensure that your records balance with those held by your Accounts Office.

Employers who choose to opt out

Employers who have chosen to opt out of fully operating the SSP Scheme in favour of their own Occupational Sick Pay (OSP) scheme must be able to show records of:

- all dates of employee sickness lasting four or more days in a row, and
- all payments of earnings or Occupational Sick Pay (OSP) you make during each PIW, for example your normal pay or OSP records so that HMRC can check that your employees are receiving their proper SSP entitlement or the equivalent in earnings.

Visits from HMRC

From time to time, our officers visit employers to see if their payroll is running smoothly. If we call on you we will ask to see your SSP and/or wage records, sick absences and other related documents. If you are an employer who has opted out of fully operating the SSP Scheme, we will ask to see your wage records, occupational sick records, sick absence records and other related documents.

Errors on returns and documents

You need to be aware that there is a penalty regime for errors on returns and documents. For more information see page 28.

Exceptions and checksheets for the SSP Scheme

- Specific employments
- Exceptions to normal conditions for SSP
- Are you liable to pay Class 1 NICs on your employees earnings?
- How to work out Average Weekly Earnings (AWE)
- Your employee disagrees with your decision on their SSP entitlement
- Incapacity and deemed incapacity
- Managing sick absence
- Other Information that may be useful

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Specific employments

There are different rules for casual (or short contract) employees and agency workers. If you are not sure whether a worker is employed by you as a casual employee or is an agency worker, contact Acas at www.acas.org.uk or phone **08457 47 47 47** or in Northern Ireland contact the LRA at www.lra.org.uk

Casual employees

A casual employee is usually someone who works for an employer, as and when they are required on a series of short contracts of employment with that person. Such casual workers may also be called short contract employees. If you have to deduct PAYE tax and Class 1 NICs from the worker's earnings, then you will have to pay them SSP if they satisfy all the qualifying conditions. If you are not sure whether you have to deduct PAYE tax and Class 1 NICs from the worker's earnings, contact your HMRC office. If you are not sure whether a casual employee is employed by you under a contract of employment, contact Acas at www.acas.org.uk or phone **08457 47 47 47** or in Northern Ireland contact the LRA at www.lra.org.uk

Agency workers

The term 'agency' refers to all types of businesses that provide employers with temporary workers. An 'agency worker' is someone who is engaged by an agency and is paid by, or through, them (other than under a contract of employment), to work under the direction and control of another employment provider. A fee must be paid in respect of the ongoing employment of that worker.

The above definition does not include cases where:

- the worker is directly employed by an agency under a contract of employment whether or not the worker is sent to carry out work on a client's premises. In these cases they are employees of the agency
- an agency finds a worker employment with a client for a fee and there is no continuing link between that employee and the agency. The worker will be the employee of the client company.

Although agency workers are not employed under a 'contract of service', they are deemed to have a contract of service with the agency for the period of their assignment. Subsequent assignments will give rise to new deemed contracts of service or series of linked contracts. Agency workers are treated as employees for PAYE tax and Class 1 NICs. If you are required to deduct PAYE tax and Class 1 NICs from the agency worker's earnings, or would do if their earnings were high enough, then you will have to pay them SSP in the same way as an employee, if they satisfy the qualifying conditions. If you are not sure whether you have to deduct PAYE tax and Class 1 NICs from the agency worker's earnings contact your local HMRC office.

An agency worker is entitled to SSP from the first day of their contract provided they satisfy all the other conditions for entitlement. However, they must have undertaken some work under that contract to become entitled. Entitlement to SSP will cease at:

- the end of the PIW, or
- the end of the current contract or assignment with the client company, or

- where a future contract, placement or assignment had already been agreed, the end of that future contract, placement or assignment.

It is illegal to terminate an employee's contract solely or mainly for the purpose of avoiding liability for SSP. Where an assignment has ended and the agency worker subsequently goes sick they will not be entitled to SSP from you.

Linking periods of incapacity for work - SSP will be payable across two or more contracts where there is a linking Period of Incapacity for Work if:

- the worker was sick for four or more days in the first contract, and
- they have started work on a second or subsequent contract, and
- they were sick again within eight weeks of the last PIW.

Provided all the conditions are satisfied, the normal eight week linking rule applies and any Waiting Days served in the previous contract will count for the subsequent contract. Similarly, any payments made in the previous period will count towards the workers maximum payment of SSP. If you are not sure whether a worker is employed by you under a contract of employment or is an agency worker, contact Acas at www.acas.org.uk or phone **08457 47 47 47** or in Northern Ireland contact the LRA at www.lra.org.uk

Mariners

Mariners can get SSP if they or their employer have a place of business in the UK and they are on a home-trade ship.

If you are not sure if the above applies, contact your local HMRC office, or ring the Employer Helpline on **08457 143 143**.

Your employee has two contracts

It is possible for an employee who has two distinct contracts, with the same or different employers, to be incapable of work under one contract but capable of working under the other.

When an employee has more than one contract with the same, or different employers trading in association, and their earnings are aggregated for NICs purposes, they must be incapable of work under all contracts before they can be entitled to SSP.

NHS employees

Some NHS employees whose contracts are split between Strategic Health Authorities and NHS Trusts as a result of NHS re-organisation, can choose to have all their earnings added together for working out AWE for SSP purposes. For more information please contact the Employer Helpline on **08457 143 143**.

People unable to act for themselves

If an employee is mentally incapable of acting for themselves and you are unsure about who should be paid the SSP, contact the Employer Helpline and explain the situation. They will be able to give you advice and/or direct your enquiry to the Statutory Payments Disputes Office who will advise you how to handle paying your employee's SSP.

Exceptions to normal conditions for SSP

Employees who can't get SSP from you

Some employees can't get SSP from you when they are sick. You must give them form SSP1 explaining why they are not entitled to SSP. They may be able to claim a Social Security benefit instead.

Remember, if your employee cannot get SSP at the start of a PIW they will not be entitled to it in any later linking PIW.

They cannot get SSP if they are not sick for four or more days in a row as this does not form a PIW. Your employee cannot get SSP if, on the first day of the PIW they:

- had Average Weekly Earnings (AWE) in the 'relevant period' below the LEL for National Insurance purposes. If they had any earnings in their relevant period that were included in a PAYE Settlement Agreement, see page 12
- are within the 18/39 week disqualifying period due to pregnancy or recently having had a baby. See page 22 for more details
- have already had 28 weeks' worth of SSP from you and this new spell of sickness links to their last one
- were not entitled to SSP the last time they were sick, for any reason, and this spell of sickness links to that one
- started or returned to work for you after getting IB/ESA from Jobcentre Plus/SSA and are a 'benefit recipient' who is sick within the first 104 weeks of starting, or returning to work for you. See 'Linking with Social Security benefits' on page 30
- are outside the UK and you are not liable to pay employer's Class 1 NICs, and would not be liable even if their earnings were high enough
- are a new employee and have not yet done any work for you
- had a contract of employment with you which has ended or been brought to an end
- had been sick on and off for more than three years
- had been away from work because of a trade dispute which started before the first day of sickness
- were in legal custody.

If your employee is not entitled to SSP you **must** give them form SSP1:

- no later than the seventh day after the sickness has been notified, or
- by the next normal payday in the tax month after sickness has been notified.

If you know your employee will still be sick when their entitlement to SSP will be exhausted, give them form SSP1 at the 23rd week of SSP to ensure that a claim to IB/ESA is made on time.

SSP1 issued by mistake

If you realise later that you have made a mistake and SSP is due, you should:

- pay the SSP, and
- tell your employee and contact the nearest Benefit Delivery Centre whose number is in **The Phone Book** under Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office so that benefit isn't wrongly paid.

Other reasons for not paying your employee SSP

If you consider that your employee is not entitled to SSP for any reason **not** included on form SSP1, there is an example letter below that you may wish to use to advise your employee.

This letter can be used when you consider that your employee is not entitled to SSP because:

- they have not told you of their sickness within a fixed time, or within seven days of the first day of incapacity, and you do not accept that they had a good reason, or
- they have not provided acceptable medical evidence, (but you cannot withhold payment of SSP for late receipt of medical evidence), or
- they have refused to cooperate with seeking further medical advice.

This letter can also be used when:

- you have evidence that the employee is fit for work
- you have another reason why you consider that SSP is not payable that is not an exclusion on form SSP1.

Note: only issue this letter if form SSP1 is not appropriate or does not apply.

Example letter to notify your employee that you will not be paying them SSP

Date:

Dear [name of employee]

I am writing to tell you why I cannot pay you Statutory Sick Pay (SSP) for the period from..... to.....[insert dates].

You cannot get SSP for these days because.....[insert one of the reasons listed above here].

If you have any questions about why I am not paying you SSP please contact me.

If you do not agree with my decision not to pay you SSP, you can ask HMRC to make a formal decision.

You should contact the SP Disputes Team on **0191 2255221**

Yours sincerely.

Employee pregnant – the disqualifying period

Women who are entitled to Statutory Maternity Pay (SMP) or Maternity Allowance (MA) are not entitled to SSP during their Maternity Pay Period (MPP) or Maternity Allowance Period (MAP). The MPP or MAP is a period of 39 weeks during which SMP or MA is payable.

If your employee is not entitled to either SMP or MA and is not already receiving SSP, she cannot get SSP for:

- 18 weeks starting with the earlier of the beginning of the week in which her baby is born, or
- the beginning of the week she is first off sick, either wholly or partly because of her pregnancy, if this is on or after the start of the fourth week before her baby is due.

If your employee is receiving SSP her entitlement will end on the earlier of:

- the date on which her baby is born, or
- the day she is first off sick, either wholly or partly because of her pregnancy, if this is on or after the fourth week before her baby is due.

Where a PIW doesn't start until after the end of the disqualifying period, that is the 39 week Maternity Pay period, SSP should be considered under the normal rules for that PIW.

Where a PIW started before, or during the disqualifying period, SSP will not become payable until there has been a break of at least eight weeks after the end of that PIW, that is, until a new, unlinked, PIW is formed. For example, if your employee phones in on the day she is due to start work after her MPP or MAP has finished, she could be entitled to SSP if she meets the other qualifying conditions. However, if your employee phoned in during the last week of her MPP or MAP and said that she would not be able to return to work because she was ill, she would be disqualified from SSP throughout that PIW.

For more information about SMP and conditions of entitlement, see E15 *Employer Helpbook for Statutory Maternity Pay*.

28 weeks SSP reached in a PIW

Each time your employee begins a new PIW that doesn't link, that is, it is separated from the previous PIW by a gap of more than 56 consecutive days, your maximum liability to pay SSP is 28 weeks at the appropriate weekly rate.

If SSP is stopping because your employee:

- has been, or will be, paid 28 weeks SSP in the PIW, and
- is still sick

you **must** issue form SSP1.

If you know in advance that your employee will continue to be sick after 28 weeks SSP, you should give them form SSP1 at the 23rd week of SSP to ensure that a claim to IB/ESA is made on time.

Sick employee leaves

If a sick employee leaves your employment you must stop paying SSP and give them form SSP1 **without delay**.

Employee in legal custody

An employee who is in legal custody at any time on the first day of the PIW cannot get SSP.

Entitlement will stop for an employee who is already receiving SSP if they are taken into legal custody.

Legal custody means:

- being kept in custody by the police
- being in prison.

Legal custody does not include helping the police voluntarily with their enquiries.

Remember linked PIWs count as one. It is the situation at the start of the first PIW with you that counts when you are deciding whether you can pay SSP.

Employee involved in a trade dispute with you

If your employee is off work because of a trade dispute on the first day of the PIW they cannot get SSP unless:

- they have no direct involvement in the dispute, and
- they did not take part in it at any time up to and including the first day of the PIW.

If they go sick again, for four or more days in a row, within 56 days of their return to work after the dispute, you will need to give form SSP1 to them so they can claim IB/ESA.

If they are off sick when the trade dispute starts, they will continue to be entitled to SSP only if they take no active part in the dispute.

Employee dies

If your employee dies, SSP is due up to and including the day of death and stops from the day following their death.

Employee goes abroad during incapacity

If an employee leaves the UK while they are off work sick, for example, to go on holiday or visit relatives living abroad, you are still liable to pay SSP during their absence providing you consider their incapacity is genuine.

You cease to trade

When an employer ceases to trade, entitlement to SSP only ends when the employee's contract ends.

Remember an employee who is still sick when their contract ends cannot continue to get SSP after that date. You **must** issue form SSP1 so that the employee can contact their local Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office to claim IB/ESA.

If you cease to trade, you remain liable to pay any outstanding SSP payments until your employee has received their full entitlement or their entitlement ends for one of the reasons outlined elsewhere in the helpbook.

You become insolvent

If you become insolvent within the terms of the SSP (General) Regulations 1982, as amended, and the employees' contracts are not terminated on insolvency, any SSP due in that employment from the date of insolvency becomes the liability of HMRC. You should contact the Employer Helpline for advice.

If the employees' contracts are terminated, entitlement to SSP ends when the contracts end. It remains the employer's liability to pay any SSP due for the period before the date of insolvency.

Effect of entitlement on payment of Statutory Adoption Pay and Statutory Paternity Pay

An employee cannot get Statutory Paternity Pay (SPP) or Statutory Adoption Pay (SAP) for any week in which they are entitled to be paid SSP. If an employee is sick and qualifies for SSP before the start of their SAP or SPP leave they must delay the start of their SAP or SPP until they are well. If this is not possible within the time limits for taking their SAP or SPP, their entitlement to SAP or SPP will be reduced by each week in which they have been paid SSP. If they become sick during their SAP or SPP pay period and are entitled to be paid SSP, you cannot pay them SAP or SPP for any week in which they qualify to get any SSP.

For more information about SAP see E16 *Employer Helpbook for Statutory Adoption Pay* and E19 *Employer Helpbook for Statutory Paternity Pay*.

Working out maximum liability when QDs change in a PIW

If your employee's QDs changed after the first day of sickness in a series of linked PIWs you will need to work out when you reach your maximum liability to SSP.

For example, your employee has five QDs, Monday to Friday for the first linked spells of sickness and you paid five weeks, and four days' SSP. They then change to three QDs, Tuesday to Thursday and you pay four weeks, and one day's SSP.

To work out how many weeks have been paid:

- take each PIW where the QDs are the same and work out how many days' SSP you paid, then
- divide this by the number of QDs in the week.

1. $(5 \times 5) + 4 = 29 \div 5 = 5.8$ weeks

2. $(3 \times 4) + 1 = 13 \div 3 = 4.3$ weeks

Total number of weeks paid = 10.1

So your remaining liability in that PIW is 17.9 weeks' SSP.

Why you need to work out the number of odd days in a fraction of a week

Because not all the possible numbers of QDs in a week convert to exact decimal fractions, you must use these decimal fractions in all cases.

Qualifying days in a week	Decimal fraction for one day
7	0.143
6	0.167
5	0.2
4	0.25
3	0.334
2	0.5
1	1.0

To work out the number of odd days needed to make up a fraction of a week:

1. Express one QD as a decimal fraction of a week using the table above.
2. Divide into the fraction of the week's liability that is left and round up.

There are three QDs in a week in the earlier example.

In the example you need to convert 17.9 weeks to weeks and days.

One QD = 0.334.

$0.9 \div 0.334 = 2.69$ rounded up to three days.

$17 \text{ weeks} + \text{three days} = 18 \text{ weeks}$.

You have a possible maximum liability of 18 weeks left.

Linked PIWs with you that have lasted for three years

If your employee has a series of linked PIWs with you that run for longer than three years after the first day of incapacity, your liability to pay SSP stops at the end of the third year even if you have not paid 28 weeks' SSP.

You **must** issue form SSP1 to your employee without delay so they can claim IB/ESA.

The ending of liability after three years applies only to a PIW that has run entirely with you. A PIW with a former employer doesn't count towards the three years.

Are you liable to pay employer's Class 1 NICs on your employee's earnings?

Employee working outside UK on first day of PIW

Employees who work outside the UK on the first day of a PIW may be entitled to SSP if you are liable to pay employer's Class 1 NICs, or would be if the employee's earnings were high enough.

To qualify to get SSP from you an employee must have AWE of at least £97.00 in the eight weeks before the first day they are first off work sick. See page 25.

If your employee's PIW or linked PIW continues but your liability to pay employer's Class 1 NICs ceases, the employee is still entitled to SSP until their entitlement stops for another reason, for example they have had 28 weeks' SSP or have become fit for work.

You take over a business

If you take over a business or part of a business and the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006 apply, then continuity of employment is not broken.

The regulations apply when you take over an economic entity (a business, part of a business, or a service provision) together with contracts of employment of the employees being transferred with the business. The employee liability information which the transferring employer must provide will give the identities of those employees being transferred with the business.

If you are not sure if the TUPE Regulations 2006 apply contact Acas at www.acas.org.uk or phone **08457 47 47 47** or in Northern Ireland contact the LRA at www.lra.org.uk or phone **028 9032 1442**.

If you take over a business during the relevant period you must still add together all their earnings in the relevant period even where some of them were paid by the previous employer.

If the employee was getting SSP at the time you took over the business you must carry on paying it until the PIW ends.

How to work out Average Weekly Earnings (AWE)

To get SSP an employee must have AWE of at least £97.00 in the period of at least eight weeks before the first day they are off work sick.

To work out AWE you must:

- always use the relevant period - you can work it out using the checksheet below
- only include earnings paid in the relevant period.

Checksheet for weekly paid employees

To work out AWE for employees paid weekly or in multiples of a week, for example weekly, fortnightly, three weekly or other multiple weekly

1. Note first day of the PIW.

2. Find the date of the last normal payday before the first day your employee was sick. **This is the last day of the relevant period.**

3. Count back to the payday that is at least eight weeks before the date in 2 and come forward one day, for example 25 August becomes 26 August. This is the first day of the relevant period.

4. Add together all the earnings paid between the dates in 3 and 2 (inclusive).

5. Divide the figure in 4 by the number of whole weeks in the relevant period.

(Don't round up or down to whole pence, use the unrounded figure to decide if the employee's average earnings are high enough.)

Monthly paid employees - how to work out Average Weekly Earnings (AWE)

To work out AWE you must:

- convert monthly pay into an average weekly amount
- always use the relevant period - you can work it out using the checksheet below
- only include earnings paid in the relevant period.

Checksheet for monthly paid employees

To work out AWE for employees paid monthly

1. Find the date of the last normal payday before the first day your employee was sick. **This is the last day of the relevant period.**

2. Find the date of the payday at least eight weeks back from the date in 1 and come forward one day, for example if the payday is 22 June, enter 23 June. This is the first day of the relevant period.

3. Add together all the earnings paid between the dates at 2 and 1 (inclusive).

4. Work out how many whole months there are between the dates in 2 and 1 (inclusive). If there isn't a whole number of months see 'Rounding to the nearest whole month', on page 13.

5. Divide the figure in 3 by the whole months in 4.

6. Multiply the figure in 5 by 12.

7. Divide the figure in 6 by 52.

(Don't round up or down to whole pence, use the unrounded figure to decide if the employee's average earnings are high enough.)

Employees not paid in a regular pay pattern

If you do not pay your employees in a regular pay pattern use the checksheet below to work out their AWE.

If you do not pay your employees for all weeks because they did not work for you in every week, go to 'Agency and short contract workers - weekly paid' below and follow that method to calculate their AWE.

Checksheet for employees not paid in a regular pay pattern

To work out AWE if you do not pay your employees in a regular pay pattern	
Note the first day of the employee's PIW.	<input type="text" value="/ /"/>
1. Find the date of the last normal payday before the first day your employee is sick. This is the last day of the relevant period.	<input type="text" value="/ /"/>
2. Find the date of the payday at least eight weeks before the date in 1 and go forward one day, for example, 15 May becomes 16 May. This is the first day of the relevant period.	<input type="text" value="/ /"/>
3. Add together all earnings paid between the dates in 2 and 1 (inclusive).	<input type="text" value="£"/>
4. Work out the number of days between the dates in 3 and 1 (inclusive).	<input type="text"/>
5. Divide the figure in 3 by the number of days in 4.	<input type="text" value="£"/>
6. Multiply the figure in 5 by 7.	<input type="text" value="£"/>
(Don't round up or down to whole pence, use the unrounded figure to decide if the employee's average earnings are high enough.)	

Weekly paid employee gets regular payment earlier or later than normal with more or less than eight weeks pay in the relevant period

This usually happens when, for example, you pay a week's wages early because of a holiday.

Follow Steps 1 to 4 of the weekly checksheet on page 25 and divide the figure in Step 4 by the number of weeks wages actually paid.

It is important that the following provision is only applied to regular payments of earnings paid other than on their normal date.

Weekly paid employee without a whole number of weeks in the relevant period

This usually happens when you decide to bring your employee's normal payday forward because of Bank Holidays at Easter, Christmas or when you pay them early or late, such as when you withhold pay for late notification of sick absence and pay it later.

Follow Steps 1 to 4 of the weekly checksheet on page 25, divide the figure in Step 4 by the number of weeks' wages actually paid.

Agency and short contract workers - weekly paid

Average Weekly Earnings (AWE) for agency workers and short contract workers are calculated in exactly the same way as other employees using the last eight weeks payments.

Not received eight weeks payments

If there are not enough paydays in a contract to work out the relevant period to calculate the Average Weekly Earnings (AWE), follow Steps 1 to 4 of the weekly checksheet on page 25 and divide the figure in Step 4 by the number of contracted weeks.

No earnings yet paid

Where the employee or worker falls sick before they have had their first payday, you should use their contractual earnings to see if they earn enough to get SSP. Work out how much a week they will earn based on the due rate of pay for the job and the expected contractual hours. If their AWE will be £97.00 or more they will qualify.

Educational term-time workers

Employees of educational establishments including teachers, classroom assistants, college lecturers and child nursery workers may or may not be contracted to work outside of term-times. There are some examples of how to work out AWE for these workers on the CD-ROM.

Directors

Paid contractually

If the director is contractually paid a regular salary calculate their Average Weekly Earnings (AWE) like any other employee by using the checksheets on pages 25 and 26.

Paid both contractually and by formal vote

A director who is paid contractually may also be paid a bonus or fees by a formal vote. You must still calculate their AWE using the checksheets on pages 25 and 26. You should only include the monies voted by formal vote if the date of the vote falls in the relevant period.

Directors paid only by a formal vote

If the director is paid only by a formal vote calculate their AWE using the checksheet below. A formal vote usually takes place at the company's Annual General Meeting and is agreed in the company minutes.

Monies drawn in anticipation of a formal vote

Some directors may regularly draw money from the business in anticipation of a formal vote. Do not include this money when working out the director's AWE, even if NICs were deducted at the time they were paid.

Checksheet for directors paid only by formal vote

To work out AWE for directors paid only by a formal vote	
Note the first day of the employee's PIW.	<input type="text" value="/ /"/>
1. Find the date of the last normal payday before the first day your director was sick. (This is the date of the last formal vote.) This is the last day of the relevant period.	<input type="text" value="/ /"/>
2. Count back to the payday at least eight weeks from the date at 1 until the date of the previous formal vote and go forward one day, for example, 15 May becomes 16 May. This is the first day of the relevant period.	<input type="text" value="/ /"/>
3. Add together the money voted and any other payments of earnings between the dates in 2 and 1 (inclusive). (Do not include any money drawn in anticipation of the vote.)	£ <input type="text"/>
4. Work out how many whole months there are between the dates in 2 and 1 (inclusive). If there isn't a whole number of months see 'Rounding to the nearest whole month' on page 13.	<input type="text"/>
5. Divide the figure in 3 by the number of whole months in 4.	£ <input type="text"/>
6. Multiply the figure in 5 by 12.	£ <input type="text"/>
7. Divide the figure in 6 by 52.	£ <input type="text"/>
(Don't round up or down to whole pence, use the unrounded figure to decide if the director's average earnings are high enough.)	

Your employee disagrees with your decision on their SSP entitlement

Written statement

If you decide not to pay SSP for a QD, for whatever reason, you should explain your decision to your employee.

If they don't agree, they have the right to ask for a written statement from you about:

- those days that you regard SSP is payable for
- how much SSP you consider your employee is entitled to
- why you do not regard yourself as liable to pay SSP for other days in the period.

An employee can ask for a written statement at any time, and if the request is reasonable you must supply the statement within a reasonable time, for example within seven days of the request.

Formal decisions about SSP entitlement

If your employee doesn't agree with your decision about their SSP entitlement, they can ask HMRC to make a formal decision. An officer of HMRC can also ask for a formal decision on entitlement.

HMRC is the first of the authorities who decide questions on entitlement to SSP. In practice, such decisions are given by authorised officers of HMRC. Their decisions are given strictly in accordance with the facts and the law.

Before asking for a formal decision from HMRC, your employee will be expected to have asked you for a written statement about their SSP position. Perhaps they will also have discussed the problem with you.

Both you and your employee will be asked for observations in writing. Neither of you will be asked to appear before the officer making the decision. You can both give supporting evidence. In the event of an appeal, your evidence will be copied to your employee and vice versa.

The officer making the decision will send the formal decision to both of you. If the decision is that your employee is entitled to SSP, the decision will give the time limit by which you must pay the SSP. You will be given full details of your appeal rights with the notice of decision.

If either of you appeals, HMRC will notify the other party. If you appeal, the officer making the decision will try to discuss the case with you so that the appeal can be decided by agreement between you, the officer and your employee.

Any agreement reached about the payment or otherwise of SSP must comply with the appropriate legislation.

If all parties are unable to agree you will be offered a review. Reviews are carried out by an officer not involved in the original decision. If you accept the offer of review, but do not agree with the review conclusion, you will have a further 30 days within which to notify the appeal to the independent Tribunal.

Once you have notified the appeal to the Tribunal, they will consider the appeal. You both have the right to appear in person and/or be represented at the hearing.

Tribunal decisions are final, except that you can appeal on a point of law, with leave, to the Upper Tier Tribunal.

If new facts come to light which affect the decision, the decision will be reviewed and, if appropriate, a revised decision will be issued. There are new appeal rights against this decision. It is in everyone's interest to put all the facts before the officer making the decision in the first place.

SSP not paid after a formal decision that it is due

If you fail to pay SSP within the legal time limit following a decision:

- by HMRC that SSP is due and you make no appeal, or
 - by an independent Tribunal that SSP is due at an appeal hearing,
- you may incur a civil penalty.

Penalties

Legislation provides that employers failing or refusing to operate the SSP Scheme correctly can incur penalties. Like those in place for PAYE or NICs these penalties are civil (not criminal).

The penalties cover the following offences:

- a refusal by you to allow access to your records or a failure to comply with a formal information notice both of which attract a maximum penalty of £300 and £60 for each day the failure continues
- a failure to keep records could make you liable to a penalty up to a maximum of £3,000
- should you provide incorrect information or documents, either fraudulently or negligently, in response to a formal information notice the penalty is up to a maximum of £3,000
- if you fraudulently or negligently produce incorrect records the penalty is up to a maximum of £3,000
- any failure by you to give your employee the required information up to a maximum of £300 and £60 for each day the failure continues
- the provision of incorrect information either fraudulently or negligently, to your employee could make you liable to a penalty up to a maximum of £3,000
- the refusal or repeated refusal or failure by you to pay SSP to your employee or the payment of an incorrect amount of SSP due to either fraud or negligence could make you liable to a penalty up to a maximum of £3,000
- obtaining, either fraudulently or negligently, incorrect funding could make you liable to a penalty up to a maximum of £3,000
- anyone who fraudulently or negligently makes an incorrect statement or declaration to establish entitlement to SSP could be liable to a penalty up to a maximum of £3,000.

Where it is considered that a penalty is appropriate it will be imposed by either an officer of HMRC or an independent Tribunal, but in all cases there is a right of appeal.

Depending on the penalty type, any appeals against a penalty raised by an officer of HMRC will be heard by an independent Tribunal. Any appeal against a penalty determined by the Tribunal (on a question of law or against the amount) will be to the Upper Tier Tribunal.

The outcome of any appeal could see the penalty upheld, varied or dismissed.

In addition to the SSP penalties overleaf you also need to be aware that there is a penalty regime for errors on returns and documents, initially for VAT, PAYE, National Insurance, Capital Gains Tax, Income Tax, Corporation Tax and the Construction Industry Scheme.

For these taxes, it applies to returns or other documents for tax periods starting on or after 1 April 2009 that are due to be filed on or after 1 April 2010.

This means that if you don't take reasonable care to get your taxes right you may incur a penalty for errors made during 2009-10 and later years.

Incapacity and deemed incapacity

General

The following paragraphs explain the majority of circumstances in which such absences count, or do not count, as incapacity for work.

Part of a day's sickness

An employee is deemed to have been incapable of work for the whole day if they arrive for work but do no work before they go sick. But if an employee has done even a minute's work, that day cannot be treated as a day of incapacity for SSP purposes.

Shift workers

Work done in any shift that extends over midnight is always treated as done on the first of the two days, regardless of how many hours are worked before and after midnight. So, if your employee becomes incapable of work after the end of the shift, the second day, that day is deemed to be a day of incapacity even though part of their shift was worked that day. For example, an employee works a shift starting at 6.00pm on Friday and finishing at 6.00am on Saturday. If they then become sick on the Saturday that day will count as a day of incapacity for SSP even though they worked part of their shift that day.

Precautionary or convalescent reasons

Even though a person is not incapable of work they may be deemed to be incapable for SSP purposes if a registered medical practitioner states they should not work for precautionary reasons or should convalesce because they suffer from a disease or disablement and are being cared for by a doctor for that condition. Incapacity is deemed to continue as long as the doctor states that the employee should refrain from work for a precautionary reason.

Infectious or contagious diseases

An employee is deemed to be incapable of work for SSP purposes if they:

- are a carrier of, or
- have been in contact with an infectious or contagious disease of a kind specified in Regulation 2(3) of the Statutory Sick Pay (General) Regulations 1982 and has been issued with a statement from the appropriate medical officer advising them not to go to work.

Pandemics outbreaks

In the event of a pandemic alert being declared by the Government you will be informed of any changes to be made to the operation of the SSP Scheme during the period of the alert via HMRC's web pages and the Employer Helpline and more general information would be provided via DWP's Directgov, Businesslink and the Department of Health's web pages, television and radio. Any changes announced would only be for the duration of the alert and information on when normal operation of the scheme should recommence would be provided through the same channels.

Bereavement

Bereavement is not an incapacity, however the relationship between your employee and the deceased, such as a parent or partner, may mean that your employee may well be ill. For example, they may be suffering from shock due to the nature of death or depression/anxiety through loss. If you get a medical certificate with bereavement as the reason for not working, taking into account the employee's circumstance, you will need to decide whether to accept this as the reason for incapacity or not. SSP will only be payable if you decide that the reasons for incapacity are acceptable.

There is an example letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason on page 21.

Supported or permitted work for occupational or medical reasons

If an employee returns to work for you, for example, on a part-time basis for medical or occupational reasons, the days they work for you cannot be treated as days of incapacity for SSP purposes.

For information about the rules concerning supported or permitted work go to www.direct.gov.uk or contact your local Jobcentre Plus Benefit Delivery Centre. In Northern Ireland Jobs and Benefits Office.

Linking with Social Security benefits

Some employees are entitled to return to benefits for up to 104 weeks after starting or resuming work for an employer.

You should check with all new or returning employees to see if they have a linking letter (ESA220 or similar) or check with the Jobcentre Plus or in Northern Ireland the Jobs and Benefits Office to see if there is any IB/ESA entitlement. This is because benefit recipients may be able to return to Social Security benefit payments during the first 104 weeks of starting or returning to work and therefore are not entitled to SSP.

If you have paid SSP to a person who is entitled to reclaim benefit, SSP will have been wrongly paid. Jobcentre Plus will advise you if this happens. You may recover a payment of SSP made to an employee who has continued entitlement to IB/ESA as overpaid wages. You must make good any erroneous recovery made under the Percentage Threshold Scheme (PTS), in the same way as you would correct any other incorrect payment or recovery of SSP.

Each linking letter bears a date and the instruction that if the employee is sick again before this date, there is no entitlement to SSP. This is because of a 'link' with benefit. So you must fill in form SSP1 to show why you cannot pay SSP, and send or give it to your employee.

Managing sick absence

How you record, monitor and control sickness absence is a matter for you to decide, but reducing sickness absence levels can reduce costs and increase productivity. You know your employees better than anyone else so you are in the best position to know whether repeated short absences for minor illnesses may be masking a more serious problem or some difficulty at work. Employers who have undertaken personnel or management initiatives to address such problems have seen significant reductions in sickness absence levels.

You may have reason to think that an employee who claims to be sick and incapable of work is, in fact, capable of doing their job and should return to work. If so, you may wish to have their incapacity reviewed by a doctor. If you do not have your own works doctor you can seek help from Medical Services.

If you wish to get advice from Medical Services, you should write to:

HMRC National Insurance Contributions Office
Statutory Payments Disputes Team
Room BP2301
Benton Park View
Newcastle upon Tyne
NE98 1ZZ

explaining that you are seeking Medical Services help about your employee. There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

Back to work action plans

Voluntary back to work action planning has been successful in returning people to work, particularly when used as part of an early intervention in long term sickness absence.

Evidence shows that people are more likely to get back to work when they and their employers talk during periods of sickness and make plans for returning to employment. It is generally acknowledged that back to work action planning could be a powerful tool in helping people get back to work quickly when they become ill.

Their purpose is to guide a discussion and set a framework for actions that employees and employers consider when an employee has been absent from work for a period of time probably between 4 - 6 weeks. It should provide a snapshot of information at a particular time and be open to regular review.

For further advice on managing sickness absence go to www.workingforhealth.gov.uk or www.hse.gov.uk/sicknessabsence

Seeking medical advice about lengthy absences

Experience has shown that when a serious illness or injury is diagnosed, for example, serious fractures, malignant diseases, pneumonia or an operation, it is unlikely that incapacity for work will be in doubt during the period for which SSP is payable. However, having a plan that considers what steps should be taken to aid a speedy return to work would be helpful.

Sometimes illnesses may continue longer than you would expect. The list on page 34 gives some of the diagnoses commonly given by doctors as the cause of incapacity on medical certificates issued by them. Rather than specify every illness or disease, the list:

- groups similar illnesses under one heading
- suggests a period of absence from work after which you may wish to consider seeking advice.

Officers acting on behalf of the Secretary of State use similar guidance when considering the control of IB/ESA.

If the employee's incapacity for work lasts longer than would normally be expected you could decide to:

- stop paying SSP, but you must explain your reasons to your employee
- continue paying SSP but seek medical advice
- accept the incapacity as genuine and continue paying SSP.

There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

If you decide to seek medical advice, you may:

- use your own medical adviser, or
- wish to seek a report from your employee's doctor, or
- seek the help of Medical Services.

If your business has its own medical adviser, you should ask them to look into the matter and give their opinion as to whether the employee is incapable of doing their own job with you or not. The exact arrangements that you have with your medical adviser to deal with these cases are a matter for you to decide.

Medical Services have a contract with DWP which allows them to give HMRC advice about your employee's incapacity for work in connection with SSP.

If you wish to get advice from Medical Services, you should write to:

HMRC National Insurance Contributions Office
Statutory Payments Disputes Team
Room BP2301
Benton Park View
Newcastle upon Tyne
NE98 1ZZ

explaining that you are seeking Medical Services help about your employee.

Seeking medical advice about frequent absences for short periods

There may be some occasions when your employee has repeated short periods away from work and submits either self-certificates or sick notes provided by their doctor.

If your employee has been sick for four or more short periods in a 12-month period, you may decide to seek the help of Medical Services. You can do this even after your employee has returned to work.

If you wish to get advice from Medical Services, you should write to:

HMRC National Insurance Contributions Office
Statutory Payments Disputes Team
Room BP2301
Benton Park View
Newcastle Upon Tyne
NE98 1ZZ

explaining that you are seeking Medical Services' help about your employee who has taken repeated short absences from work.

Enclose:

- your employee's full name, address, date of birth, gender and NI number
- date the latest period of sickness began and the nature of the illness certified by the doctor
- your employee's written consent, see the example in the right-hand column for the form of words that must be used
- copies of any medical certificates submitted by your employee over the last 12 months making sure the doctor's name and address are clear. If not, ask your employee to obtain a new signature and/or address
- your employee's occupation and main activities involved in doing the job
- reason for requesting an opinion
- outcome of any control action already taken by you during the present spell of sickness
- dates of any sick absences of at least four days over the past 12-months (details of the past two years, if known)
- cause of incapacity given on each occasion, and
- copies of the four or more self-certificates given by the employee.

HMRC will forward the case to Medical Services.

Medical Services will:

- ask for a report from your employee's doctor, and
- if necessary, ask your employee to attend for an examination.

A report will be sent to HMRC. In addition to giving an opinion as to whether your employee is incapable of work, the doctor will say whether, in their opinion, there are reasonable grounds for your employee having frequent absences from work for medical reasons. When HMRC receive the report, they will write to you. You will not be sent a copy of the report.

The medical report is given under contract to HMRC by Medical Services and is confidential. It can only be made available to other parties during the course of an appeal hearing when, with written consent from the employee, it is provided as evidence. If requested, the Medical Services doctor will attend the appeal hearing to give evidence relating to their report.

An example of written consent

Form of written consent

Name of employer

Full name of employee

Full address of employee

.....

I agree that a medical opinion about my incapacity for work may be obtained by you from HMRC in connection with my entitlement to SSP. I agree that my doctor may give relevant medical information to a doctor acting on behalf of HMRC and agree that, if necessary, a doctor acting on behalf of HMRC may medically examine me and send a report in confidence to HMRC.

Employee's signature

Date

Employee refuses to give consent

If your employee refuses to give their written consent for you to seek medical advice, it is up to you to decide what to do next. You could decide that their refusal is sufficient grounds for you to doubt that the incapacity is genuine and stop paying SSP.

There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

If your employee is dissatisfied with your decision, they are entitled to a written statement from you. If they are still dissatisfied, they are entitled to seek a formal decision from HMRC.

HMRC will:

- ask Medical Services for a copy of the medical reports they have
- reach a decision as to whether or not SSP should be paid
- inform both you and your employee.

Action when you get the medical advice

If, after receiving medical advice, you decide to stop paying SSP to your employee, you should explain your decision to them, see page 28.

They are entitled to a written statement from you and can seek a formal decision on their entitlement to SSP from HMRC.

There is an example of a letter you may wish to use to advise your employee that you consider they are not entitled to SSP for this reason, on page 21.

Other information that may be useful

Operating your own Occupational Sick Pay (OSP) scheme

Even if you operate your own occupational or work based sick pay scheme you need to be aware that the provisions of the SSP Scheme still need to be taken into account when deciding when you need to give them form SSP1 or if you are able to make a recovery under the Percentage Threshold Scheme (PTS).

If your scheme makes Occupational Sick Pay (OSP) payments to your employees that are as much as or more than the SSP rate for each day that your employee is sick and their entitlement to OSP can continue for at least 28 weeks, then you do not need to operate all aspects of the SSP Scheme and your record keeping requirements are reduced.

This is popularly known as opting out, but in fact this does not mean that you should ignore the provisions of the SSP Scheme completely, or that the rules of your scheme can override those of the SSP Scheme.

If you do operate your own scheme you do not need to notify HMRC. However, you must still keep records and be able to show them on request to HMRC, see page 19.

In addition, regardless of whether you operate your own OSP scheme, you need to consider whether or not your employee would be entitled to SSP at the beginning of their period of sickness.

If your employee is not entitled to SSP (whether or not they are entitled to sick pay under your occupational scheme) you will need to give them form SSP1 so that any entitlement to IB/ESA can be considered.

You will also need to give them form SSP1 when they reach their period of maximum underlying entitlement to SSP regardless of whether they continue to have any entitlement under your OSP scheme. Where it is known that your employee's period of sickness is expected to continue for more than 28 weeks, you should give them form SSP1 at the 23rd week of SSP to ensure that a claim to IB/ESA is made on time.

If you operate your own occupational scheme, you may still be able to recover some or all of the payments you have made, but only up to the statutory rate of SSP under the rules of the PTS, see page 17.

However, unless you qualify under the PTS, you are not entitled to make any recovery of SSP or your occupational equivalent.

Control periods, common illnesses and abbreviations

Control periods (in weeks) for common illnesses		Common abbreviations used on sick notes	
Addiction (drugs or alcohol)	10	CAT	coronary artery thrombosis
Anaemia (other than in pregnancy)	4	CHD	coronary heart disease
Anorexia	10	COAD	chronic obstructive airways disease
Arthritis (unspecified)	10	CVA	cerebrovascular accident
Back and spinal disorders (PID, sciatica, spondylitis)	10	D&C	dilation and curettage
Cold, coryza, URTI, influenza, bronchitis	4	D&V	diarrhoea and vomiting
Concussion	4	DS	disseminated (multiple) sclerosis
Corneal	4	DU	duodenal ulcer
Debility, cardiac, nervous, post-op, post-partum	10	FB	foreign body
Fainting	4	GU	gastric ulcer
Fractures of lower limbs	10	IDK(J)	internal derangement of the knee (joint)
Fractures of upper limbs	10	IHD	ischaemic heart disease
Gastro-enteritis, gastritis, D&V	4	LIH	left inguinal hernia
Giddiness	4	MI	myocardial infarction
Haemorrhage	4	MS	multiple sclerosis
Headache, migraine	4	NAD	no abnormality detected
Hernia (strangulated)	10	NYD	not yet diagnosed
Inflammation and swelling	4	OA	osteoarthritis
Insomnia	10	PID	prolapsed intervertebral disc
Investigation	10	PUO	pyrexia of unknown origin
Joint disorders other than arthritis and rheumatism	10	RIH	right inguinal hernia
Kidney and bladder disorders, cystitis, UTI	4	URTI	upper respiratory tract infection
Menstrual disorders, menorrhagia, D&C	10	UTI	urinary tract infection
Mouth and throat disorders	4	VVs	varicose veins
NAD immediate nervous illnesses	10		
Obesity immediate observation	4		
Peptic, gastric, duodenal	4		
Postnatal conditions	10		
Respiratory illness: asthma	10		
Skin conditions, dermatitis, eczema	10		
Sprains, strains, bruises	4		
Tachycardia	10		
Ulcers (perforated)	10		
Varicose	10		
Wounds, cuts, lacerations, abrasions, burns, blisters, splinters, FB	4		

Tables for linking Periods of Incapacity for Work for SSP

How to use these tables

For example, your employee has a PIW beginning 15 June 2010. To find out if this PIW links with a previous one, go to the June column and find 15 in the column 'First day of PIW'. Now move across to the next column 'Previous PIW links if on or after' to find the date in line with 15 June 2010. This date is 19 April 2010. If your employee had an earlier PIW and the last day of that PIW was on or after the 19 April 2010 the PIWs link.

You can now use the CD-ROM SSP calculator to help you work out SSP payments, or for the Internet calculator go to www.hmrc.gov.uk/calcs/ssp.htm

April 2010	
First day of PIW	Previous PIW links if on or after
6	08/02/10
7	09/02/10
8	10/02/10
9	11/02/10
10	12/02/10
11	13/02/10
12	14/02/10
13	15/02/10
14	16/02/10
15	17/02/10
16	18/02/10
17	19/02/10
18	20/02/10
19	21/02/10
20	22/02/10
21	23/02/10
22	24/02/10
23	25/02/10
24	26/02/10
25	27/02/10
26	28/02/10
27	01/03/10
28	02/03/10
29	03/03/10
30	04/03/10

May 2010	
First day of PIW	Previous PIW links if on or after
1	05/03/10
2	06/03/10
3	07/03/10
4	08/03/10
5	09/03/10
6	10/03/10
7	11/03/10
8	12/03/10
9	13/03/10
10	14/03/10
11	15/03/10
12	16/03/10
13	17/03/10
14	18/03/10
15	19/03/10
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19	23/03/10
20	24/03/10
21	25/03/10
22	26/03/10
23	27/03/10
24	28/03/10
25	29/03/10
26	30/03/10
27	31/03/10
28	01/04/10
29	02/04/10
30	03/04/10
31	04/04/10

June 2010	
First day of PIW	Previous PIW links if on or after
1	05/04/10
2	06/04/10
3	07/04/10
4	08/04/10
5	09/04/10
6	10/04/10
7	11/04/10
8	12/04/10
9	13/04/10
10	14/04/10
11	15/04/10
12	16/04/10
13	17/04/10
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19	23/04/10
20	24/04/10
21	25/04/10
22	26/04/09
23	27/04/10
24	28/04/10
25	29/04/10
26	30/04/10
27	01/05/10
28	02/05/10
29	03/05/10
30	04/05/10

July 2010	
First day of PIW	Previous PIW links if on or after
1	05/05/10
2	06/05/10
3	07/05/10
4	08/05/10
5	09/05/10
6	10/05/10
7	11/05/10
8	12/05/10
9	13/05/10
10	14/05/10
11	15/05/10
12	16/05/10
13	17/05/10
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21	25/05/10
22	26/05/10
23	27/05/10
24	28/05/10
25	29/05/10
26	30/05/10
27	31/05/10
28	01/06/10
29	02/06/10
30	03/06/10
31	04/06/10

August 2010	
First day of PIW	Previous PIW links if on or after
1	05/06/10
2	06/06/10
3	07/06/10
4	08/06/10
5	09/06/10
6	10/06/10
7	11/06/10
8	12/06/10
9	13/06/10
10	14/06/10
11	15/06/10
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23	27/06/10
24	28/06/10
25	29/06/10
26	30/06/10
27	01/07/10
28	02/07/10
29	03/07/10
30	04/07/10
31	05/07/10

September 2010	
First day of PIW	Previous PIW links if on or after
1	06/07/10
2	07/07/10
3	08/07/10
4	09/07/10
5	10/07/10
6	11/07/10
7	12/07/10
8	13/07/10
9	14/07/10
10	15/07/10
11	16/07/10
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21	26/07/10
22	27/07/10
23	28/07/10
24	29/07/10
25	30/07/10
26	31/07/10
27	01/08/10
28	02/08/10
29	03/08/10
30	04/08/10

October 2010	
First day of PIW	Previous PIW links if on or after
1	05/08/10
2	06/08/10
3	07/08/10
4	08/08/10
5	09/08/10
6	10/08/10
7	11/08/10
8	12/08/10
9	13/08/10
10	14/08/10
11	15/08/10
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22	26/08/10
23	27/08/10
24	28/08/10
25	29/08/10
26	30/08/10
27	31/08/10
28	01/09/10
29	02/09/10
30	03/09/10
31	04/09/10

November 2010	
First day of PIW	Previous PIW links if on or after
1	05/09/10
2	06/09/10
3	07/09/10
4	08/09/10
5	09/09/10
6	10/09/10
7	11/09/10
8	12/09/10
9	13/09/10
10	14/09/10
11	15/09/10
12	16/09/10
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21	25/09/10
22	26/09/10
23	27/09/10
24	28/09/10
25	29/09/10
26	30/09/10
27	01/10/10
28	02/10/10
29	03/10/10
30	04/10/10

December 2010	
First day of PIW	Previous PIW links if on or after
1	05/10/10
2	06/10/10
3	07/10/10
4	08/10/10
5	09/10/10
6	10/10/10
7	11/10/10
8	12/10/10
9	13/10/10
10	14/10/10
11	15/10/10
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22	26/10/10
23	27/10/10
24	28/10/10
25	29/10/10
26	30/10/10
27	31/10/10
28	01/11/10
29	02/11/10
30	03/11/10
31	04/11/10

January 2011	
First day of PIW	Previous PIW links if on or after
1	05/11/10
2	06/11/10
3	07/11/10
4	08/11/10
5	09/11/10
6	10/11/10
7	11/11/10
8	12/11/10
9	13/11/10
10	14/11/10
11	15/11/10
12	16/11/10
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14	18/11/10
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16	20/11/10
17	21/11/10
18	22/11/10
19	23/11/10
20	24/11/10
21	25/11/10
22	26/11/10
23	27/11/10
24	28/11/10
25	29/11/10
26	30/11/10
27	01/12/10
28	02/12/10
29	03/12/10
30	04/12/10
31	05/12/10

February 2011	
First day of PIW	Previous PIW links if on or after
1	06/12/10
2	07/12/10
3	08/12/10
4	09/12/10
5	10/12/10
6	11/12/10
7	12/12/10
8	13/12/10
9	14/12/10
10	15/12/10
11	16/12/10
12	17/12/10
13	18/12/10
14	19/12/10
15	20/12/10
16	21/12/10
17	22/12/10
18	23/12/10
19	24/12/10
20	25/12/10
21	26/12/10
22	27/12/10
23	28/12/10
24	29/12/10
25	30/12/10
26	31/12/10
27	01/01/11
28	02/01/11

March/April 2011	
First day of PIW	Previous PIW links if on or after
1	03/01/11
2	04/01/11
3	05/01/11
4	06/01/11
5	07/01/11
6	08/01/11
7	09/01/11
8	10/01/11
9	11/01/11
10	12/01/11
11	13/01/11
12	14/01/11
13	15/01/11
14	16/01/11
15	17/01/11
16	18/01/11
17	19/01/11
18	20/01/11
19	21/01/11
20	22/01/11
21	23/01/11
22	24/01/11
23	25/01/11
24	26/01/11
25	27/01/11
26	28/01/11
27	29/01/11
28	30/01/11
29	31/01/11
30	01/02/11
31	02/02/11
1	03/02/11
2	04/02/11
3	05/02/11
4	06/02/11
5	07/02/11

Further help and guidance

Further help and guidance for employers is available from the following sources.

The Internet

Go to www.hmrc.gov.uk/payee in the 'PAYE for employers' section where you'll find:

- a 'Getting started with PAYE' section for new employers
- advice on setting up and operating your payroll
- step-by-step guidance on filing your Employer Annual Return
- links to key PAYE forms, tools and publications.

Online services

For information about our online services go to

www.hmrc.gov.uk/online

For help and assistance using our online services contact the Online Services Helpdesk:

- email helpdesk@ir-efile.gov.uk
- phone **0845 60 55 999** open 8.00am to 8.00pm seven days a week.

Your Employer CD-ROM

Your CD-ROM has:

- most of the forms and guidance you will need to run your payroll throughout the year
- a P11 Calculator that will work out and record your employees' tax, NICs and Student Loan deductions every payday with a linked P32 *Employer Payment Record* that works out what you need to pay us
- a range of other calculators that work out car and car fuel benefit, statutory payments and Student Loan deductions.

Employer Annual Return

Almost all employers are required to file their 2009-10 Employer Annual Return (P35 and P14s) online.

If you have used the P11 Calculator for all your employees during the year and have nine or less employees at 5 April you can send us your Employer Annual Return online direct from your Employer CD-ROM.

Starter and leaver information

You can also send starter and leaver information P45(Part 1), P45(Part 3), P46 and P46(Expat) online using the CD-ROM.

There is also:

- a Learning Zone to help you understand payroll topics such as statutory payments, Student Loan deductions and PAYE Online
- a PAYE for Employers section for new and less experienced employers explaining what to do when employing someone for the first time.

Your HM Revenue & Customs (HMRC) office

Your own HMRC office can also help you if you have a query about your PAYE scheme. All our office contact details are on our website, go to

www.hmrc.gov.uk/local/employers/index.htm

Please tell us your employer reference which you will find on correspondence from your HMRC office.

Employer helpbooks

Our Employer helpbooks are designed to help you understand and operate PAYE, NICs and other payroll related matters.

The helpbooks are for guidance only, they are not comprehensive and have no legal force.

We also have many other leaflets and booklets that give further guidance, for example:

- CWG2(2010) *Employer Further Guide to PAYE and NICs*
- CWG5(2010) *Class 1A NICs on benefits in kind*
- 480(2010) *Expenses and benefits - A tax guide*
- 490 *Employee travel - A tax and NICs guide for employers.*

You can view, download or order most of the helpbooks, booklets and other guidance from:

- our website go to www.hmrc.gov.uk/employers/emp-form.htm or
- your Employer CD-ROM.

Or you can order copies from the Employer Orderline by phoning **08457 646 646**.

Yr laith Gymraeg

Ffoniwch **0845 302 1489** i dderbyn fersiynau Cymraeg o ffurflenni a chanllawiau.

Business Link

As an employer you will have wider issues to consider such as health and safety, working time and time off and so on. Business Link, managed by the Small Business Service, provides a wide range of information and various tools to help you.

For more information:

- go to www.businesslink.gov.uk
- phone **0845 600 9006**, 8.30am to 5.30pm Monday to Friday.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

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