

Topics

1. Changes in April 2011
2. Introducing ASPP

CHANGES IN APRIL 2011

We have some major changes coming into effect in April 2011. This newsletter should give you a brief outline of these but if anyone needs to discuss them in more detail please don't hesitate to give us a call.

TAX - New Standard Tax Code will change to 747L and the new threshold for paying tax will be £144 weekly and £623 monthly. The new tax bands are:
Basic Rate 20% from £1 to £35,000 p.a.
Higher Rate 40% from £35,001 to £150,000 p.a.
Additional Rate 50% over £150,000 p.a.

NIC - The Revenue have this year decided not only to increase the percentages for both employee's and Employer's but they have also introduced different thresholds for Employees and Employer's.
Employee's threshold is £139 weekly and £602 monthly. Once over this threshold they will pay 12% Nic up to £817 weekly or £3540 monthly and then an additional 2% on earning above this.
Employer's threshold is £136 weekly and £589 monthly. Once over this threshold they will pay 13.8% NIC on all earnings.

Statutory Payments - the new standard rate for SSP will be £81.60 per week for employees whose average earnings are at least £102 per week. SMP is still 90% of the average earnings for the first 6 weeks but the new standard rate for the remaining 33 weeks will be £128.73 per week (or 90% of average whichever is lower). Again the average earnings need to be over £102 per week.

Employers whose total NIC for the year is over £45,000 can still only reclaim 92% for SMP, SAP and SPP. Employers whose NIC is under £45,000 can still reclaim 100% but the compensation amount has changed from the additional 4.5% to 3%

We also have the introduction of the new Additional Statutory Paternity Pay.

Introducing ASPP

For babies born after 3rd April 2011 there is now available **Additional Statutory Paternity Pay ASPP**

ASPP - Additional paternity Leave is available to a father, a partner, husband or civil partner to the mother or adoptive parent who meets all of the relevant qualifying conditions. These conditions are the same as SMP and the current SPP which now becomes OSPP (Ordinary Statutory Paternity Pay)

ASPP can be paid up to a maximum of 19 weeks at either £128.73 or 90% of the average wage whichever is the lower amount. However, the employee is entitled to take up to 26 weeks Leave therefore the additional 7 weeks would be unpaid leave, but must end on the child's first birthday or 1 year after the adoption placement.

Employer's can request to see copies of the child's birth certificate or matching certificate or official notification and evidence of child's entry into the UK at least 8 weeks prior to the leave commencing but within 4 weeks of receiving the SC7 or SC8 and the employee should respond within 4 weeks.

KIT Days - both the mother whilst on SMP, and the father whilst on ASPP are both entitled to take 10 KIT days each.

If an employee is not entitled to ASPP they need to be issued an ASPP1 form.

If you would like more detailed information we do have copies of the relevant forms and employer's checklist available which we can email to you.

If there are any topics you would like us to cover in our newsletter please drop us a line.

Enquiries: If there are any areas you would like to discuss further or have any queries, you can contact Rico Liverani, Managing Director or Sherree Patterson, Office Manager on 0191 5147009 we look forward to hearing from you, DCS Payroll.