Guide to Statutory Sick Pay

Because everyone needs a back-up plan

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Overview

Statutory Sick Pay (SSP) is paid to employees off work through illness or injury at the same time and the same way as their salary, and is subject to the same tax and National Insurance deductions.

- a legal requirement
- £86.70 a week*
- paid to employees for up to 28 weeks for sickness absence lasting 4 or more days
- independent of National Insurance contributions, but employees must earn at least £109 (before tax) per week
- taxable
- payable to agency workers
- not payable to unemployed or self-employed people

*Figures based on 2013-2014 tax year
Who qualifies?

An employer pays SSP when an employee is sick for 4 days in a row - the Period of Incapacity to Work (PIW). These consecutive days can include days the employee may not work and/or weekends and Bank Holidays.

However, SSP is only paid for days the employee would normally work – qualifying days. There must be at least one qualifying day every week.

The first 3 qualifying days of a PIW are unpaid – waiting days.

SSP is payable from the 4th day of sickness absence and ends when:

- the employee is no longer sick
- the employee has received SSP for 28 weeks
- the employee’s contract of employment ends

The time when an employee starts and stops receiving SSP is the period of entitlement.

SSP is not paid:

- to pregnant women from the start of the ‘disqualifying period’ which is 39 weeks during which Statutory Maternity allowance is paid
- if the employee has been taken into legal custody
- if the linked SSP PIW has spanned 3 years

Recovering SSP

As of 6th April 2014, businesses cannot recover SSP through the HMRC’s Percentage Threshold Scheme. However, they can still claim for earlier years.

From 6th April 2016, employers who have not claimed for any Percentage Threshold Scheme due up until 5th April 2014 will not be able to claim for it.
How do other benefits affect SSP?

**Employees can’t get SSP if they receive any of the following:**

- Employment and Support Allowance (ESA)
- Incapacity benefit
- Severe Disablement Allowance
- Contribution based job-seekers allowance
- Statutory maternity pay
- Maternity allowance
- Statutory paternity pay
- Statutory adoption pay

**Occupational Sick Pay**

Any **Occupational Sick Pay (OSP)** paid by an employer counts towards an employee’s SSP entitlement. If the OSP pays less than full SSP, the employer must make up the difference.

A company which pays OSP at or above SSP does not have to follow the SSP scheme rules.

How do other earnings affect SSP?

An **employee receiving SSP is still allowed to earn from a different type of job.**

These earnings have no affect on their SSP payment.
What’s the procedure for SSP?

An employee must tell their employer when they are off sick. Employers can decide what confirmation they need, but can only ask for a doctor’s fit note after 7 days.

Legally, employers:

✔ must make the rules clear

✘ can’t demand notification before the end of the 1st qualifying day.

✘ can’t demand medical evidence

✔ must make employees use a specific form – if the company has no form of their own, an employee can self-certificate

✘ can’t demand notification more than once a week during a spell of sickness

✔ must accept notification from someone on an employee’s behalf

✔ must conform to SSP law where they have no rules of their own in place

Employers can stop payments for late notification of sickness, provided they have followed the rules of the scheme and these comply with SSP law. SSP can be paid following a late notification if there is good cause – currently up to 91 days.

Frequent short spells of sickness

An employee can self-certificate if they suffer a number of short spells of sickness. If the employer is not satisfied, they can refer the employee to a company doctor – with the employee’s consent - or go to HMRC for onward referral to a Medical Services expert.
Glossary

**Period of Incapacity to Work (PIW)** - when an employee is sick for at least four days in a row, including weekends and public holidays.

PIWs separated by 8 weeks or less are linked and count as one PIW, but each sickness absence must last four or more consecutive days.

**Qualifying days** - days when an employee would normally work.

**Period of entitlement** - the time an employee actually receives SSP.

**Waiting days** – the first 3 unpaid Qualifying Days of absence.

For more information about SSP, visit [https://www.gov.uk/statutory-sick-pay](https://www.gov.uk/statutory-sick-pay)

For more information and support around absence management, Unum’s GIP policyholders can access [www.unumliifeworkslegal.co.uk](http://www.unumliifeworkslegal.co.uk)