



Occupational Maternity Pay

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General Information

There is a host of information available on the SD Worx website

www.sdworx.co.uk/resources

www.sdworx.co.uk/tye

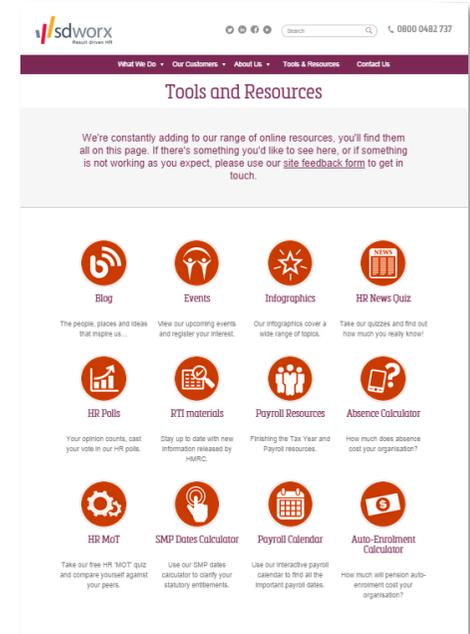
www.sdworx.co.uk/specialist-payroll-services

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Introduction

Overview

Occupational Maternity Pay has been introduced for clients using HRevolution Payroll (HRe5P) with Active Technology.

- Up to 99 Occupational Maternity Pay schemes
- Support for both Occupational Maternity Pay and Occupational Adoption Pay
- Different entitlements for different length of service (based on months' length of service)
- Entry of continuous service date for length of service calculations
- Length of service can be calculated as any number of whole weeks before the baby due date / expected placement date.
- One or two entitlement durations (e.g. 6 weeks at 100% of pay and 20 weeks at 50% of pay)
- Automatic calculation and payment based on either average earnings or a notional amount
- Automatic offsetting of Statutory Maternity / Adoption Pay.

Limitations

Occupational Maternity Pay (OMP) has been aligned to the payment of Statutory Maternity Pay (SMP) and where required, Statutory Adoption Pay (SAP). The following limitations apply:

- OMP can only be paid for a maximum of 39 weeks
- Length of service bands can only be based on months length of service.
- OMP will not be paid where employee is not entitled to SMP/SAP, if company rules allow payment of OMP for this group of employees manually entry will be required
- As per current process SMP must be entered into HRevolution Payroll (HRe5P). Integration with Central HR will be available in Spring 2018.

If you have any requests for enhancements to the Occupational Maternity Pay functionality to support your scheme rules, please log your feedback using Trustworx, SD Worx's online customer community portal. This feedback will be used by our Product Team as part of their continuous OMP product review process.

Please provide as much information as possible, so that our Product Team can identify the key areas where enhancements are needed. You can log your feedback using this link: <https://sdworx.influitive.com/challenges/56>

Payment

Once configured, payment will automatically take place as per the scheme rules and will be paid each period for the same number of weeks as Statutory Maternity / Adoption Pay until entitlement is exhausted.

Configuration

During the implementation, rules for each individual OMP scheme will be setup within the payroll configuration. The configuration will define how each OMP scheme will operate when an employee who is a member of the scheme starts SMP or SAP determining the payment of OMP. For further information on the exact configuration please refer to your OMP setup documentation.

Scheme Configuration

The following information will be setup within the payroll configuration for each of OMP scheme.

- **Scheme Number** - The number to identify the OMP Scheme. The scheme number can be provided using [Data Item](#) E182 to move employees from the default scheme.
- If the scheme is the **default** scheme. This scheme will then apply to all employees on maternity leave where [Data Item](#) E182 has not been provided.
- If the scheme is to be **included for adoption** leave. The scheme will be used for employees receiving SAP in addition to employees receiving SMP
- Whether SMP/SAP **Average Earnings or a Notional Allowance** is to be used for the calculation of OMP
- If a **Notional Allowance** the allowance number will be configured. Prior to an employee starting Maternity/Adoption leave the annual or periodic salary (depending on allowance configuration) will need to be entered for calculation purposes
- The **Payment Allowance** number under which OMP payments to the employee will be made
- The **weeks before expected date to measure length of service**. Length of service bands can be configured to restrict or increase OMP entitlement depending on employees' length of service (see section below). The point at which to measure the length of service is defined as the number of weeks before the childbirth / matching date. Additionally, [Data Item](#) E180 can be used to provide a continuous service date if this is different to the employee's payroll start date.

Length of Service bands

Length of service bands can be configured to restrict or increase OMP entitlement depending on employees' length of service. For example scheme rules may state that only employees with 12 months length of service are entitled to OMP or that employees with more than 5 years length of service are entitled to more weeks of OMP. For each length of service band the following will be configured.

- The **length of service month from and to** for the specific band.
- The **duration and percentage of pay of the first entitlement** will determine the number of weeks and amount of pay the employee will receive for the first part of the entitlement (e.g. 6 weeks at 100%)
- The **duration and percentage of pay of the second entitlement** will determine the number of weeks and amount of pay the employee will receive for the second part of the entitlement (e.g. 20 weeks at 50%)

Calculation and Payment

Calculation

When SMP/SAP is paid for an employee the system confirms the employee is entitled to OMP. To determine the OMP entitlement the system will perform the following checks:

- If the eligibility indicator has been overridden to make the employee ineligible.
- What scheme the employee is a member of? If one has been entered on the employee's record this will be used, if not then the default scheme will be used.
- If SAP is being paid, the scheme will be checked to ensure that it is also paid for Adoption.
- The employee's length of service will be calculated to understand which entitlement band they fall into.
 - If a continuous service date has been entered, then the length of service will be based on the continuous service date. If a continuous service date is not present, then the length of service will be based on the employment start date.
 - The length of service will be based on the number of weeks before the EWC that is set against the scheme. Length of service is calculated as number of whole months between the employee's start date / continuous service date and the EWC (minus number of weeks parameterised)
 - From the above the solution will determine which length of service band the employee falls into and the employee's entitlement. If there is no length of service band for the employee's length of service, no OMP will be paid (e.g. employee only has 6 months' service and the first band is 12 to 24 months)

Once entitlement has been determined the following will be calculated

- **OMP Average Pay** – Depending on the scheme setting this will be the Average Earning or the Notional Salary. If a Notional Salary, then this will be reduced to a weekly value.
- **Entitlement 1 rate** – Calculated by multiplying the OMP Average Pay by the Entitlement 1 percentage for the scheme.
- **Entitlement 2 rate** – Calculated by multiplying the OMP Average Pay by the Entitlement 2 percentage for the scheme, if this has been setup for the scheme.
- **Weeks remaining at entitlement 1** – The number of weeks the employee is entitled to for the first entitlement duration.
- **Weeks remaining at entitlement 2** – The number of weeks the employee is entitled to for the second entitlement duration, if this has been setup for the scheme.

HRevolution Payroll

OMP information will be displayed on the HRevolution Payroll, Parental Pay screen, as shown below. This will be as a second page to the information displayed for SMP or SAP. The screen displays the results and information used in the calculation of OMP and allows verification of the scheme, length of service and payment rates used as well as the number of weeks' entitlements and number of weeks paid.

View Paybase Data
901680 - Payroll Active Pension Reform Lunar Test Co

| | | | | | |
|-------------------------|---|-----------------------|----------------------|-------------|-----------------------|
| Company | 901680 - Payroll Active Pension Reform | Pay Frequency | L | Tax Period | 16 |
| Employee | MR J MATERNITY PAY | Pay Group | 1343 | PR Card | |
| Department | - | Sex | F | Cost Code | |
| Date of Birth | 05 Oct 1938 | Class | | N.I. No. | NB677323A |
| Start Date | 06 Apr 2000 | Category | / | N.I. Letter | C |
| Continuous Service Date | | Basic Hours | 0h 0m | | |
| Leaving Date | | Basic Pay Hours | 0h 0m | Tax Code | OT 06 Apr 2017 |
| Alternate Reference | | Pension Reform Status | Exempt Worker | | |

- Basic Details
- Tax/ELEX
- Allowances
- Pensions
- N.I.
- Holiday
- S.S.P.
- Parental Pay
- Create Note
- Minimum Pay

| | | | |
|--------------------|---------------------------|-------------------------|----------------------------------|
| Type | OMP | OMP start date this pd. | 22 Jun 2017 |
| Exclusion | N | | |
| OMP Scheme | 00 | | |
| Length of Service | 16 Years 10 Months | | |
| OMP Average Pay | 1200.00 | | |
| Entitlement Rate 1 | 1200.00 | | |
| Entitlement Rate 2 | 600.00 | | |
| Cash: | This time | To date | Weeks (Entitlement 1 / 2) |
| Paid | 1023.96 | 1023.96 | Paid this time 2/0 |
| | | | Paid to date 2/0 |
| | | | Remaining 6/31 |

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Company
 Pay Period << < OMP PD 16 commit - Payroll Commit Process 14/06/2017 13:53:15 (16 - 201) > >>
 Save
Next Pg

Employee << < > >>
 Type Payroll
 View Payslip
Close

Payment

Each period OMP will be paid for the same number of weeks as SMP/SAP until the number of weeks remaining for entitlement to OMP is paid. Entitlement 1 will be paid first followed by Entitlement 2.

The amount of OMP to be paid will be offset by the amount paid for SMP/SAP being paid. If the calculation of OMP is less than the amount of SMP/SAP then no OMP will be paid.

Where the data codes “OMP Positive pre-determined amount” or “OMP Negative pre-determined amount” are used the SMP/SAP will no longer be offset and the amount provided will be paid. Care should also be taken in the next period to ensure the week paid / remaining are updated so that further OMP payment will be correct.

Data Items

The following new data items are available to support the processing of OMP

| Data Code | Name | Description |
|-----------|---|--|
| E180 | Continuous Service Date | Allow entry of continuous service date for purpose of length of service calculations |
| E181 | OMP Exclusion | “Y” to exclude employee from OMP or “N” to include |
| E182 | OMP Scheme | Scheme number to override of the default OMP Scheme |
| M800 | OMP Average Pay Replacement | Cash override of the OMP Average Pay |
| M801 | OMP positive this-period adjustment | Cash increase to the OMP this period |
| M802 | OMP negative this-period adjustment | Cash reduction to the OMP this period |
| M805 | OMP Positive pre-determined amount | Positive cash override of the amount to pay this time for OMP |
| M806 | OMP Negative pre-determined amount | Negative cash override of the amount to pay this time for OMP |
| M808 | OMP Total Year To Date | Replacement of the OMP paid year to date |
| M820 | Entitlement 1 Rate Replacement | Cash override of the Entitlement 1 Rate |
| M840 | Weeks remaining at entitlement 1 of OMP | Override of the weeks remaining for OMP at Entitlement 1 |
| M860 | Weeks paid at entitlement 1 of OMP | Override of the weeks paid for OMP at Entitlement 1 |
| M920 | Entitlement 2 Rate Replacement | Cash override of the Entitlement 2 Rate |
| M940 | Weeks remaining at entitlement 2 of OMP | Override of the weeks remaining for OMP at Entitlement 2 |
| M960 | Weeks paid at entitlement 2 of OMP | Override of the weeks paid for OMP at Entitlement 2 |

Additionally, the following new data codes are available when performing a payroll adjustment for an employee being paid OMP.

| Data Code | Name | Description |
|-----------|-------------------------------------|--|
| M805 | OMP Positive Predetermined Payment. | Entry of amount of OMP paid for payroll adjustment |
| M815 | Weeks paid at entitlement 1 of OMP | Entry of number of week paid at entitlement 1 for payroll adjustment |
| M816 | Weeks paid at entitlement 2 of OMP | Entry of number of week paid at entitlement 1 for payroll adjustment |