

Statutory maternity pay: reduction to small employers' relief from 6 April 2011

On 14 March 2011 the draft Statutory Maternity Pay (Compensation of Employers) Amendment Regulations 2011 (*SI 2001/725*) were laid before Parliament. The draft regulations provide that, from 6 April 2011, the additional compensatory amount for small [employers](#) will reduce from 4.5% to 3%.

Small employers are entitled to recover 100% of their [statutory maternity pay](#) (SMP) from [HM Revenue & Customs](#), together with an additional compensatory amount, expressed as a percentage of the statutory payment, which relates to the NICs they have paid on it. A small employer for these purposes is one whose total Class I NICs, including primary (employee) and secondary (employer) liability is at or below a set annual threshold in the qualifying [tax year](#) (currently £45,000).

Update from Philip Henson, Partner in Bargate Murray (London, UK).