

EXPLANATORY MEMORANDUM TO
THE STATUTORY SHARED PARENTAL PAY (MISCELLANEOUS AMENDMENTS)
REGULATIONS 2015

2015 No. 125

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) and is laid before the House of Commons by Command of Her Majesty.

2. Purpose of the instrument

2.1 This statutory instrument makes changes to the Statutory Payment Schemes (Electronic Communications) Regulations 2002 (S.I.2002/3047), the Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682) and the Income Tax (Construction Industry Scheme) Regulations 2005 (S.I. 2005/2045) as a direct consequence of the introduction of Statutory Shared Parental Pay and the removal of Additional Statutory Paternity Pay.

3. Matters of special interest to the Select Committee on Statutory Instruments.

3.1 None

4. Legislative Context

4.1 Part 7 of the Children and Families Act 2014 made provision for a new entitlement to Statutory Shared Parental Pay in place of Additional Statutory Paternity Pay. It also renamed Ordinary Statutory Paternity Pay to Statutory Paternity Pay. Corresponding provision was made in Northern Ireland in the Work and Families Act (Northern Ireland) 2015.

4.2 This instrument is being made to change references to Statutory Payments in existing secondary legislation to include Statutory Shared Parental Pay, remove references to Additional Statutory Paternity Pay and recognise the change in name of Ordinary Statutory Paternity Pay.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- *What is being done and why*

7.1 The Coalition Agreement committed to further encourage shared parenting. The aim of Statutory Shared Parental Pay is to give new parents more freedom to make choices which best suit their family circumstances and encourage both parents to be involved in their child's upbringing. The policy for paternity pay in Great Britain lies with the Department for Business Innovation and Skills (BIS). In Northern Ireland, following agreement by the Northern Ireland Executive, corresponding legislation was taken forward primarily by the Department for Employment and Learning.

7.2 This instrument makes changes to existing regulations which are required as a consequence of the legislation referred to at 4.1.

- *Consolidation*

7.3 As this instrument does not change the substance of the regulations concerned there is no plan for consolidation.

8. Consultation outcome

8.1 As the changes introduced by this instrument are consequential to the introduction of Statutory Shared Parental Pay, the abolition of Additional Statutory Paternity Pay and the renaming of Ordinary Statutory Paternity Pay no consultation has taken place specifically in relation to this instrument.

8.2 In May 2011, BIS issued a consultation document "Consultation on Modern Workplaces". This included proposals to reform parental pay including the introduction of a new statutory payment referred to as Statutory Flexible Parental Pay, subsequently renamed Statutory Shared Parental Pay.

8.3 In November 2012 BIS issued its formal response to the consultation, including its final proposals on the reforms in question. A further consultation was issued by BIS in February 2013 around how the process for operating Statutory Shared Parental Pay should work. The formal response including details of the process was published by BIS in November 2013.

8.4 Similar consultations were carried out by the Department for Employment and Learning in Northern Ireland.

9. Guidance

9.1 Guidance on Statutory Shared Paternity Pay is available on www.gov.uk. Northern Ireland guidance is being made available on www.nibusinessinfo.co.uk and www.nidirect.gov.uk.

10. Impact

10.1 This instrument makes changes as a consequence of legislation to introduce Statutory Shared Parental Pay in respect of which an Impact Assessment was carried out. In the circumstances no Impact Assessment has been undertaken specifically in relation to this instrument.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 To minimise the impact of the requirements on firms employing up to 20 people, the administration of the scheme has been designed to be as 'light touch' as possible to minimise the burden placed upon businesses.

11.3 Small businesses (defined as paying £45,000 or less in National Insurance Contributions) can claim 103% of Statutory Shared Parental Pay paid.

12. Monitoring & review

12.1 BIS regularly undertakes evaluations of maternity and paternity rights in conjunction with the Department for Work and Pensions.

13. Contact

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