



Payroll Update: 24th January 2024

Upcoming changes to Paternity Leave and Pay

HM Government are making changes to the way Paternity Leave and Pay can be claimed and taken, which will make it more flexible for fathers and partners to access. The changes will come into effect from 8 March 2024.

These changes will:

- allow fathers and partners to take their leave in non-consecutive blocks — currently, only one block of leave can be taken, which can be either 1 or 2 weeks, but the changes will remove this barrier by enabling fathers to take 2 non-consecutive weeks of leave
- allow fathers and partners to take their leave and pay at any point in the first year after the birth or adoption of their child — this gives fathers and partners more flexibility to take their Paternity Leave at a time that works for their family
- shorten the notice period that fathers and partners are required to give their employers for each period of leave — the new measure will require an employee to give only 4 weeks' notice prior to each period of leave and this means that they can decide when to take their leave at shorter notice to accommodate the changing needs of their families

Guidance for employers on how to reclaim statutory payments if an employee takes Statutory Paternity Pay and Leave (SPPL) early (before 6 April 2024) due to early or premature birth

Fathers and partners will be eligible to claim SPPL under the new rules if the expected date of birth of their baby is after 6 April 2024.

They will also be able to claim their SPPL under the new rules if the child is born early and before this date. Fathers and partners can begin taking SPPL as soon as their baby is born. This means that fathers and partners will be able to take 2 non-consecutive weeks of leave before 6 April 2024 for babies who were expected after 6 April 2024.

Transition period before PAYE software is updated

HMRC's PAYE payroll software will be updated with the new Paternity Leave and Pay terms by 6 April 2024.

Employers of fathers or partners whose babies are born early may choose to take SPPL before this date, and before the PAYE software has been updated. This means some employers may need to claim repayment for Statutory Paternity Pay (SPP) paid under the new rules, but before the PAYE software has been updated.

What does this mean for employers

Employers should identify employees who have given or will give you notice of their intent to claim SPPL, and whose babies have an expected week of birth after 6 April 2024. If no employees meet those conditions by that date, you will not need to consider the following transitional guidance.

Transitional Guidance on reclaiming 'new rules' statutory Paternity payments before 6 April 2024

If an employee took one block of SPPL before 6 April 2024, their employer will be able to claim Statutory Paternity Pay (SPP) repayment for one, consecutive block of SPPL taken. A block can be 1 or 2 weeks. Employers can reclaim payment through their payroll software or as they normally would.

If an employee took 2 non-consecutive blocks of SPPL before 6 April 2024, their employer will only be able to claim repayment for one block before 6 April 2024. Employers will be able to claim repayment for the second SPP block by this date, when the PAYE system has been updated.

Small and medium sized employers (SMEs) can claim payment for SPP costs in advance. If an SME paid £45,000 or less in Class 1 National Insurance (ignoring any reductions like Employment Allowance) in the last complete tax year and it cannot afford to make statutory payments, the SME can apply for HMRC to pay it in advance. The SME can apply up to 4 weeks before they want the first payment.

Further guidance on [reclaiming SPP payments](#) can be found on GOV.UK.