

Interim Parental Payments Scheme (IPPS)

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1. Summary

The Minister for Social Security has decided to implement an Interim Parental Payments Scheme (IPPS) to provide subsidy payments to employers when their staff decide to take paid parental leave under the new Employment Law.

In October 2019 a comprehensive set of family friendly employment rights was endorsed by the States Assembly ([P.100/2019](#)). Following States Assembly approval of P.63/2020, these rights will be in force from 28 June 2020.

These family friendly changes to the Employment Law, will give all new parents an entitlement to take up to 52 weeks of parental leave (including 6 weeks of paid parental leave for both parents).

Currently, the contributory benefit system supports a birth mother with a weekly allowance of £222.53 per week while she is off work caring for a new baby.

IPPS is a non-statutory, interim scheme that accompanies the Employment Law changes to be introduced on 28 June 2020 by supporting businesses with a one-off lump sum payment to cover the equivalent of 6 weeks of proposed parental benefit (£1335) for a second parent when they take paid parental leave under the new law.

Employers will receive a single payment to support the cost of parental leave to be taken by the parents covered by this scheme. The parents covered by this interim scheme can choose when to take their 6 weeks of paid leave and some or all of this leave can be taken after the interim scheme has closed and the new parental benefit regulations are in force. Likewise, this scheme will be in place until the full parental benefit regulations can be approved and implemented.

The aim of this scheme aim is to support both families and businesses in the fairest way possible during the temporary period when the Employment Law changes have been made but the parental benefit regulations are not yet in force.

2. Time limit of this scheme

The scheme will provide payments to employers when an employee takes paid parental leave under the revised Employment Law. The scheme will run from 28 June 2020 and will expire on 31 December 2020. Employers will only be able to claim for parents who have babies that are due / adoptions that are approved during this time period and book or take parental leave. Whilst the scheme is operational, regulations to introduce full parental benefits will be developed and States approval sought. This scheme will be withdrawn when the parental benefits are in force. If the new benefits are not available on 1 Jan 2021, the Minister will take a decision as to whether to extend this interim scheme.

3. Funding for Scheme

IPPS is a tax-funded scheme. It will be administered through Customer & Local Services (CLS). Funding has been allocated from the existing CLS budget.

4. Maternity Allowance/Grant

IPPS is not available to a birth mother, the existing maternity allowance will continue as it currently does.

IPPS can still be claimed for a second parent if their social security contribution record has been used to establish eligibility for another parent's application for a maternity grant; or in cases of adoption, the adoptive parent grant.

5. Assistance available from the Interim Parental Payments Scheme

This scheme is for use by any employer when their staff who are adoptive/surrogate/second parents decide to take paid parental leave under the employment law. A payment will be made subject to the employee having an appropriate contribution record. The employer will receive a one-off lump sum payment to cover the equivalent of 6 weeks worth of the proposed parental benefit, this will help with payments towards any paid parental leave their employee may take in the future.

Employers will need to apply to the scheme using a simple online form.

An application can only be made in respect of one baby or adoption, the amount is not increased for twins or triplets.

During the paid leave period provided under the employment law, the employee will receive their full wages, paid by their employer.

The scheme provides a one-off direct subsidy payment to employers to replicate the value of 6 weeks' worth of the proposed parental benefit if any parent that is not a birth mother takes paid parental leave under the Employment Law.

As a result, the employer will bear the same proportion of the paid leave costs as if the proposed parental benefit were already available.

The standard weekly value of the parental benefit will be the same as the maternity allowance i.e. up to **£222.53 per week**. Not all parents will be eligible for the full amount.

Example:

The birth mother is covered by the Maternity Allowance for up to 18 weeks.

Both parents on living wage (£10.55 p/h) at 40 hours per week. Normal wage is £422 a week.

Second parent books 6 weeks paid leave with their employer. This will cost £2,532 in total.

The Government, via this interim scheme, will support the employer with a lump sum payment of up to £1,335 to help cover some of the cost of the 6 weeks of parental leave.

A single payment will be made, regardless of when the leave is taken. This ensures that the employer will have access to the full 6 weeks of money to help with some of the costs of any parental leave their employee might take in the future.

In this example, the employer will therefore only pay £1,200 for those 6 weeks - £200 a week, rather than £422 a week by allocating money received via the lump sum payment, accordingly. This is explained in the table below:

Parent	Weeks	Total to parent per week	Paid by employer	Paid by government
Mother (paid leave and maternity allowance)	First 6 weeks	£422	£200	£222 per week
Mother (just Maternity allowance)	Weeks 7 to 18	£222	-	£222 per week
Second Parent (paid leave and interim subsidy scheme)	6 weeks	£422	£200	£1,335 lump sum

6. Eligibility

This scheme is designed for employers to claim a subsidy in respect of their employees, it is available to:

- The employer of any parent who is entitled to take statutory paid parental leave (this includes workers on zero-hour contracts) and has provided the employer with the dates on which the (up to) six weeks of paid leave will be taken.

The following criteria also apply:

- The parent (employee) taking the paid parental leave must have an appropriate contribution record. CLS will apply the same test as for Maternity Allowance. The contribution record test will be made once i.e. to the relevant quarter in the previous year and will be based on the due date of the baby / agreed date of adoption.
- The employer must pay the parent's wage as set out in the employment law. This is subject to deductions for Social Security contributions in the normal way. Employer contributions are due on the wages as normal.
- The employer can make an application for a subsidy as soon as the employee has provided their baby's due date and arranged their leave.
- The employee cannot work during the period of leave that has been agreed with the employer and that is being claimed for under the scheme.
- The baby's due date will be assessed, and a lump sum payment made to cover the full 6 weeks.
- The lump sum payment made under the scheme will be based on the lower of:
 - the normal weekly wage of the worker (This will only need to be disclosed if it is lower than the weekly value of the proposed parental benefit i.e. £222.53 per week).
 - the value of up to 6 weeks worth of the proposed parental benefit, as determined by the contribution record of the worker.
- The scheme is also available to class 2 individuals who are taking up to 6 weeks of parental leave and are not entitled to maternity allowance.
- An employer/ Class 2 individual cannot seek a subsidy under this scheme whilst they are receiving a wage subsidy in respect of the parent under any other government scheme.
- IPPS excludes parents who are birth mothers. Birth mothers are covered by the existing maternity allowance.
- IPPS excludes employees that work for the Government of Jersey
- In the tragic event of death of the baby after 24 weeks pregnancy or a still birth, payment would still be made and there would be no requirement to repay any money.

7. Applying for the Scheme and how payments will be processed

a. Information required for application: summary

The application process is administered by CLS. Applicants are required to complete an online form to make an application. Each application should relate to one employee that has requested parental leave.

The employer requires the following information to complete the online form:

- Employer details – e.g. name, address.
- Employer Contact information – e.g. telephone number and email address.
- Employer Bank details or Authority code – sort code and account number.
- Employee details – e.g. name, email address, Social Security number.
- In some cases, details of employee earnings (this will only be required if the employee earns below the standard weekly benefit rate i.e. £222.53 per week).
- Expected due date of the baby (EDD)/ planned date of adoption.

The employee will be emailed and asked to confirm:

- The name and social security number of the birth mother (when relevant).
- The expected due date of the baby (EDD)/ or planned date of adoption.

The online form requires the employer to make the following declaration:

Declaration

This application to the Interim Parental Payment Scheme (“IPPS”) is being made because an employee (“the Employee”) of the applicant employer (“the Employer”) has requested a period of paid parental leave under the Employment Law as amended by the Employment (Amendment No.11) (Jersey) Law 2020.

I confirm that I am duly authorised by the Employer to make this application for the IPPS payment (“the Application”).

I confirm that the Employee named in the Application has provided their consent for the Employer to make the Application

I confirm that the Employee has provided their consent to the provision of the information relating to them that is required by IPPS in relation to the Application.

I confirm that the Employee has provided to the Employer details of the Employee’s expected due date (EDD) or the expected date of the adoption placement.

I confirm that the Employer is not in receipt of any other payments under any other government subsidy scheme in respect of the Employee.

Consent to access to information

I confirm that I understand that in order to determine the Application, or for the purposes of auditing the Application, CLS and/or any auditors acting on behalf of CLS may require access to information held by the Employer that is relevant to the Application. I formally consent to the access to and provision of this information.

I confirm that I understand that:

- a. The details provided in relation to the Employer are correct and accurate.
- b. The details provided in relation to the Employee are correct and accurate.
- c. The Employer must provide any such further information as CLS may reasonably request as soon as reasonably practicable. Failure to comply with a request for further information could result in the Application being rejected and/or CLS seeking repayment of payments already made.

The Employer and the Employee understand that:

- a. CLS will check the information provided in the Application against CLS records.
- b. CLS can contact the Employee or Employer to verify the information provided in support of this application.
- c. If any monies are received under IPPS to which the Employer is/was not entitled, those monies must be repaid forthwith.
- d. The Government will take action against the Employer to recover any monies that have been received and to which they are/were not entitled.
- e. If any false information is provided to CLS in relation to the Application to IPPS, the Government can and will take action to recover any monies to which the Employer was not entitled. This could include referring the Application to the SOJP for criminal investigation.

I declare that:

- a. All of the details provided in the Application are true, accurate and complete.
- b. I have read and understood the rules and guidance relating to IPPS.

- c. I have read and understood this declaration and commit to adhere to the commitments made in it.
- d. If any monies are received under this scheme to which the Employer is not entitled, they will be repaid forthwith.

I understand that the supply of any information that is known to be false or the withholding of any information for the purpose of obtaining a payment for myself or anyone else constitutes the commission of a criminal offence for which either the Employer or myself could be prosecuted, and which could result in a fine and/ or imprisonment.

A Class 2 individual making an application for their own parental leave must complete a similar declaration – see Appendix.

b. Details of the employee for which the payment is being applied for

The scheme pays a lump sum payment directly to an employer in respect of an employee that is taking parental leave. The employer must provide details of the employee so that CLS can cross check information about their contribution record and verify their identity. These details should also include information about the dates of parental leave, as well as details of the expected due date of their baby - the employee will have had information from their midwife/adoption agency and will have agreed with the employer as to the dates of parental leave according to the conditions set out in the Employment Law.

c. Jersey bank account

Payments will be made to Jersey bank accounts or using an employer's authority codes.

d. Application processing: Eligibility for IPPS

CLS will use existing contribution records to check the employee's contribution record, including the previous year's relevant quarter. If the employee meets all the conditions and has paid contributions or had credits awarded in the relevant quarter, then the employer will likely be entitled to a payment under the IPPS. The contribution record checks made will be the same as those undertaken when CLS check eligibility for the Maternity Allowance.

If the employee does not meet all the contribution conditions that apply to a claim for maternity allowance, the employer will be entitled to a reduced or no subsidy payment.

e. Application processing: Information required

The Applicant must confirm that the employee is fully aware that the application for IPPS has been made and that their information is being submitted as part of that application. The applicant must ensure that a formal process is in place for the employee to book their parental leave and to verify the details of the pregnancy/adoption as set out in the Employment law.

CLS may contact the employee to confirm these details.

8. Amounts available from the scheme

The scheme provides a single lump sum payment of up to 6 weeks of the new proposed parental benefit – this is to help with some of the costs of any parental leave the employee might take either during the time the scheme operates, or in the future.

Parents will advise their employer of the due date of their baby and choose the start date of leave and agree this with their employer. When the employer applies to this scheme, CLS will check the relevant quarter (using the due date of the parent's baby); this will determine eligibility for payments.

The payment amount is decided by looking at the employee's contribution record.

If the employee has paid 3 months of contributions at any time and if the employee has paid contributions or had contributions credited in the relevant quarter, the employer will be entitled to a payment up to the full value offered by this scheme.

The scheme provides a lump sum payment of up to the following amount (depending on contribution record of the employee):

- £1335.18

This will be updated in line with any change in the standard rate of benefit provided under the Social Security law.

There will be no requirement to repay money paid via this scheme, unless payment has been made incorrectly.

9. Details of other benefits that exclude an employer for claiming under this scheme

An employer cannot apply for a payment under this scheme in respect of a birth mother. Birth mothers should continue to claim Maternity Allowance.

An employer cannot apply for a payment under this scheme in respect of a worker who is included on the Co-Funded Payroll Scheme for the same period.

10. Fraud, overpayment and paying back the money

Payments made under the IPPS scheme are made on the basis of information supplied by the applicant.

The applicant must sign a declaration confirming the information provided is complete and correct and that they will abide by the terms of the scheme.

- Information will be checked against information held by CLS.
- It will be checked with other departments as necessary.
- The applicant's employee may be asked to confirm details.

If any information is incorrect or incomplete, the applicant will be required to repay any payments made that were not correctly due under the scheme.

If an applicant deliberately supplies false information, the matter will be passed to the police and the applicant may be subject to prosecution.

11. Legal Position of the Interim Parental Payments Scheme (IPPS)

The Minister for Social Security made a commitment to bring forward new parental benefit regulations in parallel to the Employment Law changes so that the cost of paid parental leave (i.e. for the second parent) would be shared between the government and the employer, as it currently is with birth mothers.

The original timetable to introduce the new parental benefits legislation was summer 2020. Since the covid pandemic hit the Island, this work has been set aside to address the crisis and the original timetable of implementing the two laws together in summer 2020 can no longer be achieved.

The parents covered by the interim scheme will not be eligible for the extended parental benefits under the new regulations

IPPS is a non-statutory scheme. As such, the terms of IPPS can be amended or withdrawn without notice at the discretion of the Minister for Social Security.

As a non-statutory scheme, the decision of the Minister for Social Security is final.

12. Application Form

In order to be considered for a payment an application must be submitted.

The Application Form and information about the scheme can be found online here:

Web: www.gov.je/ipps (*VANITY URL TBC*).

For any enquiries, please contact the Customer and Local Services Health Zone Team, using the details below:

Email: Health.Zone@gov.je

Phone: +44 (0) 1534 444444

Appendix – Class 2 Declaration

Declaration

This application to the Interim Parental Payment Scheme (“IPPS”) is being made because I pay Class 2 Social Security Contributions and am taking a period of paid parental leave.

I confirm that I am duly authorised to make this application for the IPPS payment (“the Application”).

I confirm that I have received an Expected Due Date (EDD) for the birth of my baby/expected date of adoption placement.

I confirm that I am not in receipt of any other payments under any other government subsidy scheme.

Consent to access to information

I confirm that I understand that in order to determine the Application, or for the purposes of auditing the Application, CLS and/or any auditors acting on behalf of CLS may require access to any of my information that is relevant to the Application. I formally consent to the access to and provision of this information.

I confirm that I understand that:

- a. The details provided in relation to this application are correct and accurate.
- b. I must provide any such further information as CLS may reasonably request as soon as reasonably practicable. Failure to comply with a request for further information could result in the Application being rejected and/or CLS seeking repayment of payments already made.

I understand that:

- a. CLS will check the information provided in the Application against CLS records.
- b. CLS can contact me to verify the information provided in support of this application.
- c. If any monies are received under IPPS to which I am/was not entitled, those monies must be repaid forthwith.
- d. The Government will take action against me to recover any monies that have been received and to which they are/were not entitled.
- e. If any false information is provided to CLS in relation to the Application to IPPS, the Government can and will take action to recover any monies to which I was not entitled. This could include referring the Application to the SOJP for criminal investigation.

I declare that:

- a. All the details provided in the Application are true, accurate and complete.
- b. I have read and understood the rules and guidance relating to IPPS.
- c. I have read and understood this declaration and commit to adhere to the commitments made in it.
- d. If any monies are received under this scheme to which I am not entitled, they will be repaid forthwith.

I understand that the supply of any information that is known to be false or the withholding of any information for the purpose of obtaining a payment for myself or anyone else constitutes the commission of a criminal offence for which I could be prosecuted, and which could result in a fine and/ or imprisonment.