

Sick Pay Scheme

Version Number	Issue 5
Date Revision Complete	July 2017
Policy Owner	Head of HR & OD
Author	Human Resources Officer
Reason for Policy/ Revision	Standard 3 Year Review
Data Protection	Yes
Equalities Impact Assessment Is it required? Yes/No	
Proof Read	Yes – Payroll Officer, Law at Work
Date Approved	August 2017
Approved by	SMT
Next Review Due	August 2020
Audience – Training and Awareness Method	Managers will be briefed on the revisions to this policy
Effective Date	August 2017
Internal References	Absence Management Policy Blackwood Managers Guide to Absence
External References	UK Gov website and SSP Guidance for Employers
Comments	

Sick Pay Scheme

1. INTRODUCTION

- 1.1 Blackwood provides an occupational sick pay scheme in addition to statutory sick pay (SSP), however the benefits applicable under this scheme are subject to a range of conditions, many of which are additional to those applying to SSP.
- 1.2 The scheme applies to all full and part time employees, on permanent or fixed term contracts on successful completion of the probationary period.
- 1.3 The term "organisation sick pay" is used throughout the policy and refers to Blackwood's contractual sick pay benefit.

2. EXCLUSION FROM ENTITLEMENT

- 2.1 There is no entitlement to Blackwood's sickness benefit if an employee;
- 2.2 goes off sick during a stoppage of work at the place of employment due to a trade dispute, unless they provide suitable documentary evidence – e.g. Med 3 Form (Statement of Fitness to Work for Social Security or Statutory Sick Pay) or the employee has not taken part in the trade dispute and has no direct interest in it;
- 2.3 on the first day of sickness has already exhausted or has not yet accrued any sickness allowance;
- 2.4 on the first day of sickness is in legal custody;
- 2.5 fails to adhere to Blackwood's notification and certification of absence procedures.
- 2.6 An employee is also excluded from entitlement, except at the discretion of Blackwood, where investigation and suitable evidence would indicate that the absence is because sickness, due or attributable to -
 - the employee's own misconduct or negligence;
 - active participation in sport for payment;
 - injury whilst working in the employee's own time for private gain, or for another employer.
 - failure to comply with Blackwood's Safety Management System, Health and Safety Policies and Procedures and Risk Assessments.

3. DAYS AND PERIOD OF SICKNESS

- 3.1 A day of sickness is a day on which the employee is deemed to be incapable because of some specific disease or bodily or mental disablement of doing work which can reasonably be expected to be done under the contract of employment. This includes days of absence from work due to an industrial injury or disease (12.0).
- 3.2 Sickness allowance is payable in respect of all days of sickness (including Saturdays, Sundays and public holidays) after the first three days of absence.

4. QUALIFYING DAYS

- 4.1 Qualifying days in each week are as follows: -
- for employees working Monday to Friday; all five days Monday to Friday
 - for employees with regular/irregular work patterns governed by rota; the days in the week on which the employee was rostered to work.
- 4.2 Sickness allowance is payable from the fourth day of sickness. An exception to this will be where the absence is deemed to be a 'linked' absence in accordance with Statutory Sick Pay regulations. Absences are linked where each of the two absence periods is at least 4 days long (this is defined as a Period of Incapacity to Work - PIW) and the gap between them is 56 days (8 weeks) or less. Where this is the case the two absences 'link' and there is no waiting time for sick pay entitlement for the second absence as they are classed as one PIW. In this circumstance payment is therefore made from the first day of the second absence.

Absences do not link because of the reason for the absence being the same or similar.

5. PAYMENT AND PERIOD OF ENTITLEMENT

- 5.1 Where an employee satisfies the qualifying conditions as set out above, entitlement to sickness allowance will depend on length of service.

Length of Service at commencement of absence from work	Full Allowance for;	Half Allowance for;
While in Probation	Nil	Nil
6 months - 12 months*	1 wk	1 wk
1 yr but less than 2 yrs	5 wks	5 wks
2 yrs but less than 3 yrs	8 wks	8 wks
3 yrs but less than 4 yrs	12 wks	12 wks
4 yrs but less than 5 yrs	18 wks	18 wks
5 yrs but less than 6 yrs	22 wks	22 wks
6 yrs or more	26 wks	26 wks

* Except where the Probationary Period has been extended.

- 5.2 In exceptional circumstances Blackwood may exercise discretion by extending the period of full allowance or half allowance provided.

- 5.3 An employee's basic entitlement to sickness allowance can be calculated from the above chart.
- 5.4 In determining an employee's basic entitlement on the first day of absence, sick leave taken in the immediately preceding 12 months will be deducted from the total entitlement.
- 5.5 An employee will cease to accrue sickness allowance whilst on a period of paid sick leave. However, upon returning to work they will accrue sickness allowance for the whole period of their absence.
- 5.6 When sickness allowance is used it will initially be deducted from an employee's full allowance until this is exhausted and thereafter from their half allowance.

6. CALCULATION OF ALLOWANCE

- 6.1 Sickness allowance is payable only in respect of qualifying days, and is paid at the daily rate for non-shift/rota duty workers and at shift rate for hourly paid staff contracted to work a rostered shift system. The rates are calculated as follows:

6.1.1 Non-Shift/Rota Duty Workers (long term employees salaried/hourly paid)

Payment is calculated by dividing the contracted annual salary by the contracted number of hours (including holidays) and converting to a daily rate.

6.1.2 Rostered Shift Workers (long term employees hourly paid)

Payment is calculated by multiplying the normal rostered hours (including holidays) by the contracted rate of hourly pay including enhancements where these apply, and converting to a shift rate.

7. CALCULATION OF FULL AND HALF ALLOWANCE

7.1 Full Allowance

- 7.1.1 Where an employee is entitled to SSP, the full allowance will be a sum equal to full daily/shift rate of pay (where applicable), against which Blackwood will offset the amounts payable under current SSP conditions.

- 7.1.2 Where an employee is or becomes excluded from entitlement to SSP, the full allowance will be a sum which when added to any benefits payable under the National Insurance Acts, will secure to the employee a sum equal to daily/shift rate (where applicable) of pay.

7.2 Half Allowance

- 7.2.1 Where an employee is entitled to SSP, the half allowance will be the greater of sum equal to one half of the daily/shift rate and the amount of SSP payable.

- 7.2.2 Where an employee is or becomes excluded from SSP, the half allowance will be a sum equal to half daily/shift rate (where applicable) of pay against which Blackwood will offset any benefits payable under the National Insurance Acts. If, however, the half allowance is less than benefits payable under these Acts, no sickness allowance will be paid.

7.3 In determining the pay of an employee during sick leave, Blackwood will not include payments made to employees in excess of the agreed formula shown at 6.1. 7.4 The employee is obliged to provide Blackwood with any necessary information requested to determine their entitlement under SSP qualifying conditions, and notify Blackwood of any changes in circumstances which effects that entitlement. Where an employee has received SSP payments which were based on incorrect information, Blackwood will be entitled to recover such payments from the employee.

8. CESSATION OF ENTITLEMENT

Payment of sickness allowance ceases when -

- An employee returns to work under the contract of employment;
- An employee fails to satisfy or to continue to satisfy the notification or certification requirements;
- An employee exhausts the entitlement;
- An employee is absent on maternity leave;
- An employee's employment is terminated;
- An employee is taken into legal custody.

9. SUSPENSION OF SICK PAY

9.1 If an employee is guilty of conduct which hinders their recovery, e.g. playing sport when off sick recovering from an injury, the payment of sickness allowance may be suspended by Blackwood. The employee will be advised of this intention and afforded an opportunity of submitting an appeal in the form of a Grievance. If Blackwood decides that the employee has been guilty of conduct hindering their recovery, then the employee will forfeit the right to any further payment of allowance in respect of that period of absence.

10. SICKNESS ALLOWANCE TO VICTIMS OF CRIMES OF VIOLENCE

10.1 Where an employee is absent from work because of an injury in respect of which an award may be made by the Criminal Injuries Compensation Board and the employee is otherwise qualified to receive sickness allowance in accordance with this Clause, such allowance will be granted without a requirement to refund any proportion of it from the sum which the Compensation Board may award. Where an award has been made by the Compensation Board, the period of absence will not be treated as sickness absence and will not count against the periods of entitlement set out in 5.1; instead it will be treated as special leave.

11. VIOLENCE AT WORK

11.1 In the case of an assault during employment, an employee's period of absence will not be treated as sickness absence and will not count against the periods of entitlement; it will instead be treated as special leave.

12. SICKNESS OR DISABLEMENT DUE TO ACCIDENT DURING EMPLOYMENT

- 12.1 Where an employee is absent due to sickness or disablement because of an accident arising out of and during employment, or due to an industrial disease, the employee will be entitled to a separate allowance calculated on the same basis as the sickness allowance provided for in 5.1.
- 12.2 The allowances in respect of (i) normal sickness and (ii) absence due to industrial accident or disease are entirely separate. Periods of absence in respect of one will not count against the period of entitlement for the other.
- 12.3 An absence due to an accident will only qualify for payment under this paragraph when it has been recorded as such using Blackwood's Accident Reporting Procedure detailed within the Safety Management System and reported through Blackwood's Health and Safety Advisor and Human Resources team and, in any subsequent investigation by Blackwood, the facts recorded are found to be accurate.
- 12.4 Every effort must be made to ensure that all accidents are reported including those where the employee, because of the accident, is unable to make the entry themselves. In circumstances where no entry is made at the time of the accident, Blackwood should not unreasonably refuse the payment of industrial injury allowance. Blackwood will still need to carry out an investigation into the accident to establish the facts. If that investigation establishes that an accident took place arising out of or during employment, the employee may nonetheless be entitled to the industrial injury allowance, even though no formal record has been made.

13. INCOMPLETE DAYS AT WORK

- 13.1 Where an employee reports for work but does not complete their contracted number of daily hours due to sickness, then, providing they have completed at least half of the daily hours/shift, they will not qualify for normal pay for the half day absence and will need to take the absence as either Flexi Time or Time Off in Lieu as approved by their Manager. Their sickness absence will be recorded for monitoring purposes.
- 13.2 If the employee works less than half of the daily hours, the day will be treated as a sick day for recording purposes and noted as such on the absence history. Unless the absence is linked to a previous absence (see 4.2) the day's absence will usually be unpaid.

14. INSURANCE CLAIMS FOR NON-WORK RELATED ACCIDENTS

- 14.1 An employee who is absent because of an accident must inform the Human Resources Team if they intend to pursue a claim against a third party or insurer in respect of responsibility for the accident. Where an employee has indicated an intention to pursue a claim they will receive sickness benefit in the normal way but will be expected to reimburse Blackwood part or the total amount received in sickness benefit if they should be successful in their claim.

14.2 In the event of the employee fully refunding Blackwood from a successful claim against a third party, the period of absence will be recorded out with the rules for Blackwood sick pay and be treated as special leave. Therefore, it will not affect entitlement under Blackwood's sick pay scheme. However, the absence will still be recorded as such for monitoring purposes. Where, however, Blackwood is only partly refunded, the above will apply but only on a pro rata basis (i.e. a refund of half the amount will mean half the period of absence being treated as special leave). Where there is no award or damages, the absence will be treated as sickness absence and count towards an employee's entitlement under Blackwood's sick pay scheme.

15. STATUTORY SICK PAY

15.1 Statutory Sick Pay (SSP) is a state scheme. Under present regulations, the employer becomes legally responsible for the payment of up to 28 weeks in any linked period of incapacity for work" (see 4.2 for definitions) provided it does not extend beyond 3 years. Thereafter, if an employee is still sick, they will transfer to payment by the DWP. It is neither a substitute for nor an addition to Blackwood's contractual sick pay scheme, but is the legal minimum payment employees are entitled to if off work sick, providing they qualify in the first instance. When off sick employees will therefore be paid either their entitlement under Blackwood's Scheme as detailed in the contract of employment or SSP - whichever is the greater.

15.2 WHO IS COVERED?

15.2.1 All employees, are covered by SSP; however, there are a few exceptions. Employees are covered only if they are off work sick for 4 or more days in a row. SSP is not payable for the first 3 "waiting days" and is only paid for "qualifying days" (see 4.0 for definition).

15.2.2 Employees must also:

- Have an employment contract;
- Have done some work under their contract;
- Have earnings above the lower earnings limit;
- Give the correct notice;
- Provide proof of their illness after 7 days off;

15.3 WHO IS NOT COVERED?

15.3.1 Any employee who on the first day of a Period of Incapacity for Work (PIW)

- has average weekly earnings of less than the lower earnings limit for National Insurance Contribution liability;
- has claimed certain State Benefits within the previous 57 days;
- has done no work under the Contract of Employment;
- goes off sick during a stoppage of work at their place of employment due to a trade dispute, unless they have not taken part in the trade dispute and has no direct interest in it;
- falls sick while they are receiving Statutory Maternity Pay (SMP) or Maternity Allowance (MA);
- has already been due 28 weeks SSP from his previous employer and there has been a period of less than 8 weeks since the last day of Statutory Sick Pay shown on the leavers statement;
- is in legal custody;

- These are the only groups which are excluded from SSP. Other groups, such as people who are sick because of industrial injuries or diseases may qualify for SSP if they satisfy the conditions. An employee excluded from SSP may still be eligible for Incapacity Benefit/ Employment and Support Allowance.

16. DECIDING IF SSP IS PAYABLE

16.1 It is Blackwood's responsibility to decide if SSP is payable.

16.2 If, on the evidence available, a decision not to pay SSP is made, then the employee will be notified of this decision in writing. Usually such a decision will be made because of exclusions from the Scheme under one of the clauses listed in paragraph 17.0. Where an SSP1E may be issued stating why SSP is not payable, an employees may still qualify for Blackwood's Sickness Allowance Scheme and/or Incapacity Benefit/ Employment and Support Allowance if applicable.

16.3 Form SSP1

You must send an employee [form SSP1](#):

- within 7 days of them going off sick, if they don't qualify for SSP
- within 7 days of their SSP ending, if it ends unexpectedly while they're still sick
- on or before the beginning of the 23rd week, if their SSP is expected to end before their sickness does

Employees can apply for [Employment and Support Allowance \(ESA\)](#) instead.

16.4 If an employee disagrees with Blackwood's decision not to pay SSP and the disagreement cannot be resolved through Blackwood's grievance procedure, then they have the right to appeal to HM Revenue & Customs Statutory Payments Dispute team.

17. OPERATING THE SCHEME FOR BLACKWOOD EMPLOYEES

17.1 SSP Calculations

17.1.1 SSP is not payable where earnings are below the lower weekly earnings limit. Above this level there are weekly rates of SSP based on the employee's gross earnings in the 8 weeks prior to sickness. Details of current limits and payments are available from the Human Resources Team

17.1.2 Before SSP becomes due an employee must have had four or more days of sickness in a row (Sunday and entitled Public Local Holidays are counted). This is called a "period of incapacity to work" (PIW). If there are less than 4 days of sickness in a row, there is no PIW and no payment is due under the SSP Scheme. There is provision for linking two periods of absence within 8 weeks so that there may be only one period of "waiting days" (see 4.2).

17.1.3 In addition, SSP is only paid for "qualifying days" of sickness.

- for full-time employees working Monday to Friday; for part-time employees working all five days Monday to Friday;
 - all five days, Monday to Friday

- for full-time employees with irregular work patterns; for part-time employees with irregular work patterns spread over five or more days other than Monday to Friday;
 - all seven days, Sunday to Saturday
- for part time employees working less than five days per week;
 - the days in the week on which the employee was rostered to work.

17.2 SSP - Managers Summary

- 17.2.1 Statutory Sick Pay is paid from the fourth day of certified absence through sickness, within one period of sickness. The first three days of an employee's absence, whilst notifiable to Blackwood are classified as non-paid "waiting days" under the Scheme.
- 17.2.2 SSP is treated as a wages payment and will be subject to PAYE Income Tax and National Insurance deductions.
- 17.2.3 SSP does not replace Blackwood's Company Sick Pay Scheme. SSP is the legal minimum entitlement to sickness benefit payment in any one tax year. An employee will, therefore, be paid either one of their entitlement under Blackwood's Scheme or under SSP, whichever is the greater, but not both and then only up to the maximum allowed by either scheme.
- 17.2.4 SSP requires Blackwood to keep detailed records of absence; employees are expected to comply with the notification and reporting criteria laid down within the Absence Management Policy and this Section.
- 17.2.5 SSP procedures allows employees the right of appeal should Blackwood decide not to pay SSP. Guidance on appeals should be sought from the Human Resources Team.

18. RECOVERY OF WAGES/SALARY

- 18.1 Blackwood reserves the right to recover any sums of money paid in good faith by way of Blackwood Sick Pay or Statutory Sick Pay allowance where it is brought to the employer's attention that such payment(s) is in excess of the employee's entitlement.
- 18.2 Notification will be given to the employee at the time of such recovery.

19. SUSPENSION FROM WORK ON MEDICAL OR MATERNITY GROUNDS

- 19.1 Blackwood recognises its duty under Health and Safety legislation to suspend employees from work on medical grounds if, after a proper Risk Assessment has been conducted, an employee is judged to be at risk. The current maximum entitlement to paid medical suspension is 26 weeks. Medical Suspension from the workplace would usually only apply to pregnant employees but may, for example, apply to an employee who becomes seriously allergic to a substance used in the workplace. E.g. Latex gloves.
- 19.2 To qualify, an employee must have 1 month's service.
- 19.3 Suitable alternative work will be offered wherever possible. If an employee does not accept an offer of suitable alternative work, then they will lose the right to paid medical suspension.

- 19.4 Pregnant employees are already subject to Risk Assessment at which time Blackwood will assess whether:
- There is a need to adjust working conditions and/or hours of work; or
 - An offer of suitable alternative work, if there is any, is required;
 - There is a need to suspend the employee from work on pregnancy related grounds.
- 19.5 A referral to an occupational health professional may be considered before an agreement is reached to suspend an employee on medical grounds.