



Employment Act 2002

2002 CHAPTER 22

PART 1

STATUTORY LEAVE AND PAY

CHAPTER 1

PATERNITY AND ADOPTION

Administration and enforcement: pay

7 Funding of employers' liabilities

- (1) The Secretary of State shall by regulations make provision for the payment by employers of [^{F1}statutory paternity pay,] statutory adoption pay[^{F2}, statutory shared parental pay and statutory parental bereavement pay] to be funded by the Board to such extent as the regulations may specify.
- (2) Regulations under subsection (1) shall—
 - (a) make provision for a person who has made a payment of [^{F3}statutory paternity pay,] statutory adoption pay[^{F4}, statutory shared parental pay or statutory parental bereavement pay] to be entitled, except in such circumstances as the regulations may provide, to recover an amount equal to the sum of—
 - (i) the aggregate of such of those payments as qualify for small employers' relief; and
 - (ii) an amount equal to 92 per cent of the aggregate of such of those payments as do not so qualify; and
 - (b) include provision for a person who has made a payment of [^{F5}statutory paternity pay,] statutory adoption pay[^{F6}, statutory shared parental pay or statutory parental bereavement pay] qualifying for small employers' relief to be entitled, except in such circumstances as the regulations may provide, to recover an additional amount equal to the amount to which the person

Changes to legislation: Employment Act 2002, Section 7 is up to date with all changes known to be in force on or before 27 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

would have been entitled under section 167(2)(b) of the Social Security Contributions and Benefits Act 1992 (corresponding provision for statutory maternity pay) had the payment been a payment of statutory maternity pay.

- (3) For the purposes of subsection (2), a payment of [^{F7}statutory paternity pay,] statutory adoption pay[^{F8}, statutory shared parental pay or statutory parental bereavement pay] qualifies for small employers' relief if it would have so qualified were it a payment of statutory maternity pay, [^{F9}treating—
- (a) the period for which the payment of statutory paternity pay is made,
 - (b) the payee's adoption pay period,^{F10}...
 - (c) the period for which the payment of statutory shared parental pay is made, [^{F11}or
 - (d) the period for which the payment of statutory parental bereavement pay is made,]
- as the maternity pay period.]
- (4) Regulations under subsection (1) may, in particular—
- (a) make provision for funding in advance as well as in arrear;
 - (b) make provision for funding, or the recovery of amounts due under provision made by virtue of subsection (2)(b), by means of deductions from such amounts for which employers are accountable to the Board as the regulations may provide, or otherwise;
 - (c) make provision for the recovery by the Board of any sums overpaid to employers under the regulations.
- (5) Where in accordance with any provision of regulations under subsection (1) an amount has been deducted from an employer's contributions payments, the amount so deducted shall (except in such cases as the Secretary of State may by regulations provide) be treated for the purposes of any provision made by or under any enactment in relation to primary or secondary Class 1 contributions—
- (a) as having been paid (on such date as may be determined in accordance with the regulations), and
 - (b) as having been received by the Board,
- towards discharging the employer's liability in respect of such contributions.
- (6) Regulations under this section must be made with the concurrence of the Board.
- (7) In this section, "contributions payments", in relation to an employer, means any payments which the employer is required, by or under any enactment, to make in discharge of any liability in respect of primary or secondary Class 1 contributions.

Textual Amendments

- F1** Words in s. 7(1) substituted (5.4.2015) by [Children and Families Act 2014 \(c. 6\), s. 139\(6\), Sch. 7 para. 51\(2\)\(a\)](#); S.I. 2014/1640, art. 7(z) (with art. 16)
- F2** Words in s. 7(1) substituted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\), s. 2\(2\), Sch. para. 36\(2\)](#); S.I. 2020/45, reg. 2
- F3** Words in s. 7(2)(a) substituted (5.4.2015) by [Children and Families Act 2014 \(c. 6\), s. 139\(6\), Sch. 7 para. 51\(3\)\(a\)\(i\)](#); S.I. 2014/1640, art. 7(z) (with art. 16)
- F4** Words in s. 7(2)(a) substituted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\), s. 2\(2\), Sch. para. 36\(3\)](#); S.I. 2020/45, reg. 2

Changes to legislation: Employment Act 2002, Section 7 is up to date with all changes known to be in force on or before 27 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- F5** Words in s. 7(2)(b) substituted (5.4.2015) by [Children and Families Act 2014 \(c. 6\), s. 139\(6\), Sch. 7 para. 51\(3\)\(b\)\(i\)](#); S.I. 2014/1640, art. 7(z) (with art. 16)
- F6** Words in s. 7(2)(b) substituted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\), s. 2\(2\), Sch. para. 36\(3\)](#); S.I. 2020/45, reg. 2
- F7** Words in s. 7(3) substituted (5.4.2015) by [Children and Families Act 2014 \(c. 6\), s. 139\(6\), Sch. 7 para. 51\(4\)\(a\)](#); S.I. 2014/1640, art. 7(z) (with art. 16)
- F8** Words in s. 7(3) substituted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\), s. 2\(2\), Sch. para. 36\(4\)\(a\)](#); S.I. 2020/45, reg. 2
- F9** Words in s. 7(3) substituted (30.6.2014) by [Children and Families Act 2014 \(c. 6\), s. 139\(6\), Sch. 7 para. 51\(4\)\(c\)](#); S.I. 2014/1640, art. 3(2)(o) (with art. 9)
- F10** Word in s. 7(3)(b) omitted (18.1.2020) by virtue of [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\), s. 2\(2\), Sch. para. 36\(4\)\(b\)](#); S.I. 2020/45, reg. 2
- F11** S. 7(3)(d) and word inserted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\), s. 2\(2\), Sch. para. 36\(4\)\(c\)](#); S.I. 2020/45, reg. 2

Changes to legislation:

Employment Act 2002, Section 7 is up to date with all changes known to be in force on or before 27 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- s. 7(1) words substituted by [2023 c. 20 Sch. para. 36\(2\)](#)
- s. 7(2)(a) words substituted by [2023 c. 20 Sch. para. 36\(3\)](#)
- s. 7(2)(b) words substituted by [2023 c. 20 Sch. para. 36\(3\)](#)
- s. 7(3) words substituted by [2023 c. 20 Sch. para. 36\(4\)\(a\)](#)
- s. 7(3)(c) word omitted by [2023 c. 20 Sch. para. 36\(4\)\(b\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 7(3)(e) and word inserted by [2023 c. 20 Sch. para. 36\(4\)\(c\)](#)
- s. 15(2)(bb) word omitted by [2023 c. 20 Sch. para. 43\(a\)](#)
- s. 15(2)(bc) inserted by [2023 c. 20 Sch. para. 43\(b\)](#)