

Neonatal Care (Leave and Pay) Legislation update

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Agenda

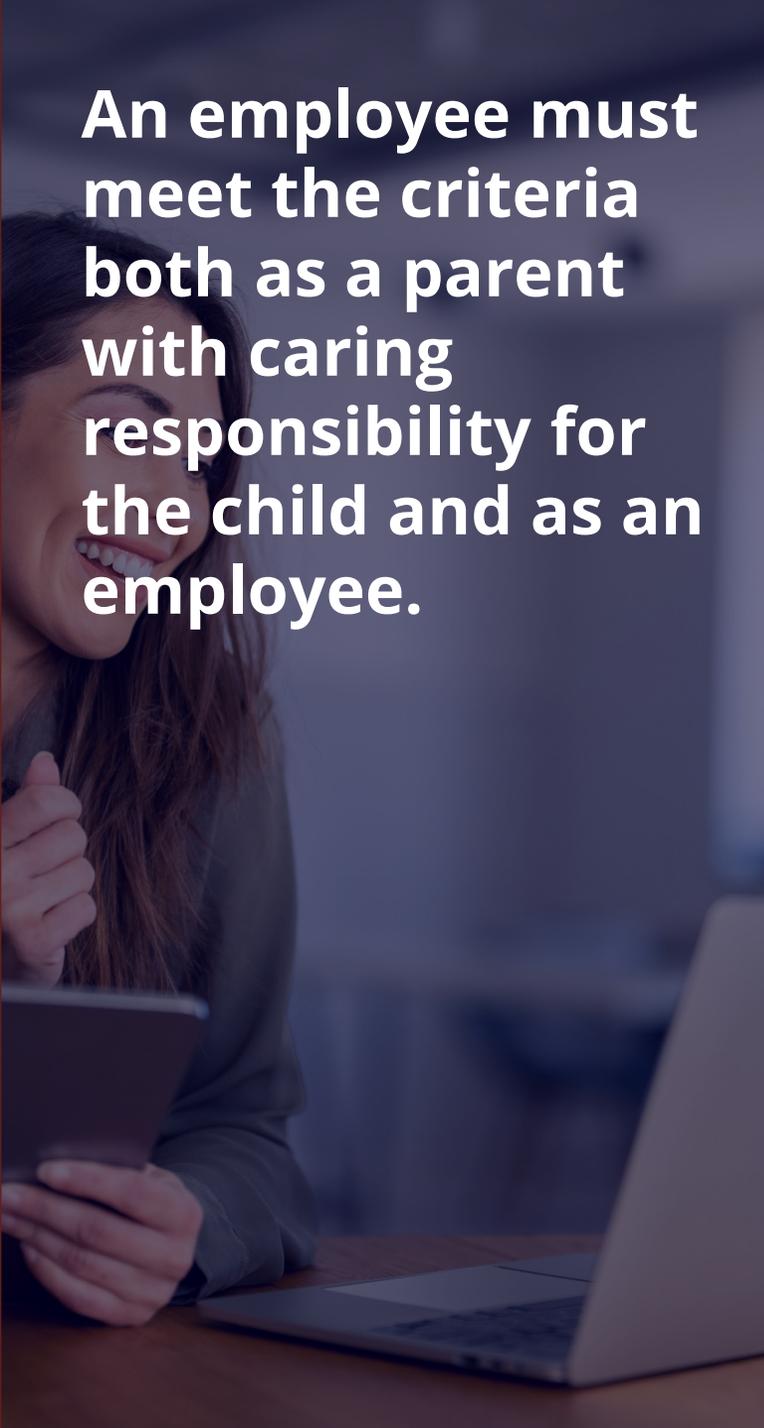
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Overview

Not currently available in Northern Ireland

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- Day 1 right to leave
- Available to eligible parents or those with parental duties
- Up to 12 weeks to accrue of leave
- To be taken within 68 weeks of baby's birth
- Employment rights are protected whilst on leave





An employee must meet the criteria both as a parent with caring responsibility for the child and as an employee.

Employee requirement

Must be classed as an employee no matter how long they have worked for you

They must also:

Remain employed up to the day they claim the pay entitlement

Earn on average £125 a week (gross) (LEL for 2025-26)

Give you the correct notice for Statutory Neonatal Care Pay

Eligibility

Baby's care must match legislation definition of Neonatal Care

Definition of Neonatal Care

If the child receives any of the following types of care, they are considered to have been in neonatal care:



Medical care in a hospital



Palliative or end-of-life care

Outreach care, which meets the following conditions:



The care is provided under the direction of a consultant doctor



The care includes ongoing monitoring by, and visits to the child from, healthcare professionals arranged by the hospital

Entitlement

- Child must enter neonatal care within 28 days and stay for at least 7 days.
- Leave/pay in 7-day blocks.
- Care count starts day after admission.
- Choose tier 1 or tier 2 leave.
- Re-admission within 28 days for 7+ days allows more leave.



Tier 1 Leave

Tier 2 Leave is leave that is taken after a child has left neonatal care.

- Leave can be taken while the baby is in care, plus one week immediately preceding this.
- Leave is flexible, taken in accrued blocks.
- Designed to fit around care needs and pre-booked leave.
- Notice can be given informally (e.g., phone, voicemail, text).
- Statutory Neonatal Care Pay can be paid in part weeks to align with pay periods (but for no other reason).

Tier 2 Leave

Tier 2 Leave is leave that is taken after a child has left neonatal care.

- Single block of leave
- Will be taken after baby has left neo care
- Main leave choice for those on maternity or adoption leave
- Notice is to be in writing
- Notice must be given:
 - Minimum of 15 days for up to 2 weeks leave
 - Increases in line with leave required capped at 28 days

Pay

Requirements

- ✓ Employees must provide written notice (e.g., letter or email) for each pay request.
- ✓ If the child is still in neonatal care at the time of notice, employees must later provide the discharge date as soon as possible.

Notice details include

- ✓ Employee's name
- ✓ Child's birth/adoption date
- ✓ Neonatal care dates
- ✓ Declaration to care for child
- ✓ Leave start date and duration
- ✓ Parental relationship confirmation (if first notice)

Examples

Example 1

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 53	Week 54	Week 55	Week 56
		Neonatal	Neonatal	Neonatal	No Care											
Mother		SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	Tier 2	Tier 2	Tier 2	
Mother		SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	SMP	Berevement Leave	Tier 2	Tier 2	Tier 2

Example 2

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17
		Neonatal	Discharge															
Mother		SMP	SMP	SMP	SMP	SMP	SMP	Tier 1	SHPP	Tier 1	SHPP	Tier 1	SHPP	Tier 1	SHPP	Work	SHPP	Tier 2

Examples

Example 3

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17
		Neonatal	Neonatal	Neonatal	Discharge													
Mother		SMP	SMP	SMP	SMP	SMP	SMP	Work	SHPP	Work	SHPP	Work	SHPP	Work	SHPP	Work	SHPP	Tier 2

Example 4

	Birth Week 1 Neonatal	Week 2 Neonatal	Week 3 Neonatal	Week 4 No Care	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Parent 2	SPP	SPP	Tier 1							Tier 2	Tier 2
Parent 2	SPP	SPP	Tier 1	Tier 1	Tier 2						
Parent 2	Work	Tier 1	Tier 1	Tier 1	SPP	SPP					
Parent 2	Work	Tier 1	Tier 1	SPP	SPP	Tier 1					
Parent 2	Work	Tier 1	Tier 1	Tier 1	Berevement Leave						

Examples

Example 5

Baby Born 18.05.25																						
Neo 21 days	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	
3 Weeks Neo Leave	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	
Discharged Sat 7th																						
Parent 2	Leave	Tier 1	Tier 1	Tier 1	ShPL	ShPL	ShPL	ShPL	ShPL	ShPL	ShPL	Tier 1	Tier 1	Tier 1	Tier 1	Tier 2						
	Pay	SNCP	SNCP	SNCP	SNCP	SNCP	SNCP	SNCP							SNCP							
					SHPP	SHPP	SHPP	SHPP	SHPP	SHPP	SHPP											

Record keeping

Essential record-keeping for Statutory Neonatal Care Pay compliance

- Employers must keep records for HMRC, including:
- Start dates and payments of Statutory Neonatal Care Pay
- Employee's entitlement evidence (declaration, name, neonatal care dates)
- Any unpaid claims and reasons for non-payment
- Records must be kept for three years from the end of the tax year.
- Use HMRC's NEO2 form or your own record-keeping system.



Additional notes

Special circumstances – eligibility for Statutory Neonatal Care Leave and Pay

Eligibility in Sensitive Situations:

- Parents can take accrued leave and pay within 68 weeks if their child passes away after neonatal care.
- If an adoption is disrupted after neonatal care, prospective parents can still take accrued leave and pay within 68 weeks.

Multiple Births & Admissions:

- The 12-week maximum entitlement applies regardless of multiple births.
- Each baby must spend at least seven continuous days in care to trigger eligibility. Overlapping admissions count as one entitlement.

Additional notes continued

Pay adjustments and absences:

- Backdated Pay Rise: Employers must recalculate earnings and pay any additional Statutory Neonatal Care Pay.
- Employee Illness: If an employee qualifies for Statutory Sick Pay (SSP), they cannot receive both payments for the same week.

Salary sacrifice considerations:

- Average weekly earnings should be based on actual earnings paid.
- Statutory Neonatal Care Pay cannot be sacrificed and must be paid in full.

Terminology

- **Qualifying child:**

- Eligible employees can only claim Statutory Neonatal Care Pay if their child enters into neonatal care up to 28 days following their date of birth and they go on to spend at least 7 full continuous days in neonatal care.

- **Relevant week:**

- If the parent is not eligible for any other statutory parental pay, the relevant week will be the week immediately before the week the child enters into neonatal care. However, if the parent is also eligible for another statutory parental pay, the relevant week for neonatal care pay will align with the relevant week for that other statutory parental pay. For instance, if a parent is eligible for Statutory Maternity Pay, the same relevant week used for calculating the entitlement to Statutory Maternity Pay will be used for calculating entitlement to Statutory Neonatal Care Pay.

Thank you.

