



Maximising Compliance and Benefits: How Corient Resolved an SMP Challenge for an Employer

 +44 24 7610 3333

 www.corientbs.co.uk

 The Techno Centre, Puma Way, Coventry, CV1 2TT,
United Kingdom

Introduction

At Corient Business Solutions, we pride ourselves on ensuring compliance with payroll regulations while delivering value to employers and employees. Recently, a situation arose where an employee on maternity leave resigned after 33 weeks of Statutory Maternity Pay (SMP), sparking a critical need to address regulatory obligations and employee benefits.

The Problem?

When the employee resigned before completing 39 weeks of SMP, the employer faced uncertainty regarding their obligations under HMRC rules. The primary questions were:

- Was the employee still entitled to SMP for the remaining six weeks?
- How should the situation be handled to ensure compliance and fairness?

This created a potential risk of non-compliance and strained communication with the employee.

Corient Solution

Our team at Corient quickly stepped in with a structured approach:



**The best accountants
are the architects of
financial legacies.**

– Laura Anderson

- **Reinstating the Employee:** After confirming with HMRC regulations, we advised reinstating the employee on payroll to ensure the remaining six weeks of SMP could be paid.
- **Ensuring Compliance:** We meticulously calculated the SMP due and advised the client to process payments over two months while maintaining proper records.

Challenges Faced

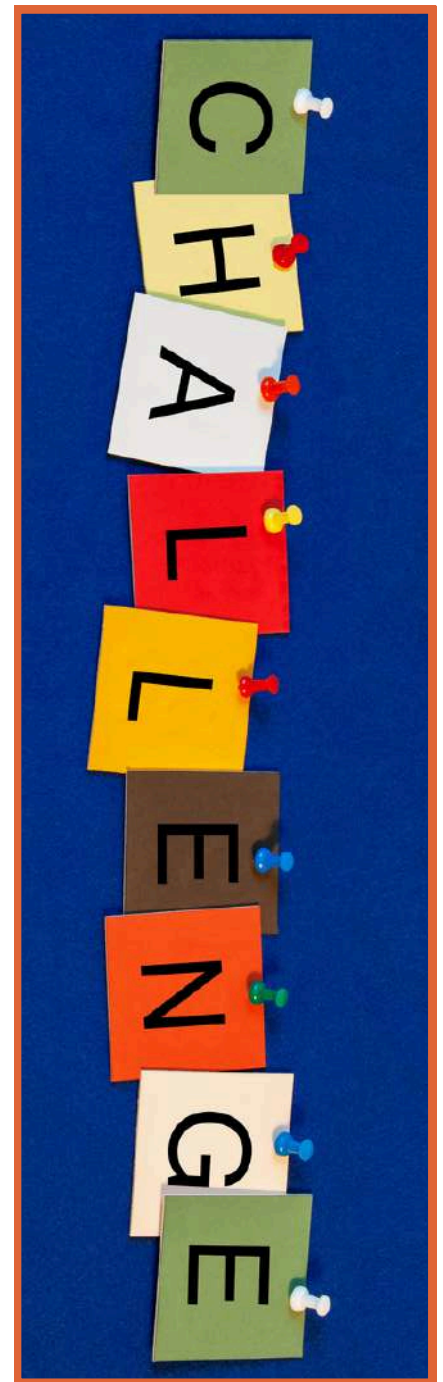
Implementing this solution wasn't without its hurdles:

- **Lack of Immediate Clarity:** The team needed to sift through various HMRC resources to confirm the legal standing of employees who resign during maternity leave.
- **Client Concerns:** The employer needed clear guidance to understand why paying SMP after resignation was a regulatory requirement.

Overcoming the Challenges

Our proactive efforts ensured smooth resolution:

- **Collaborative Research:** We reviewed HMRC's guidelines thoroughly and identified the relevant rule that confirmed the employee's entitlement to 39 weeks of SMP.
- **Clear Communication with the Client:** A detailed explanation and the official HMRC link were shared with the client. Once the rules were clear, they agreed to reinstate the employee and process the remaining payments.



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Behind every good
business is a great
accountant.

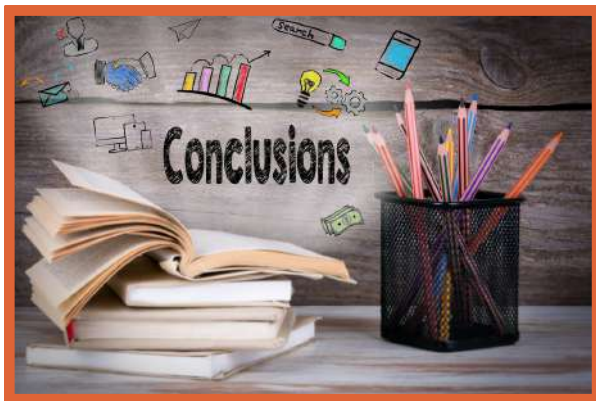
– Anonymous
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Result Achieved

The resolution delivered win-win outcomes for all parties involved:

- **Employee Satisfaction:** The employee received the remaining six weeks of SMP, totaling £1,104.18, ensuring their benefits were upheld.
- **Employer Benefits:** By complying with HMRC rules, the employer reduced their payroll liability by £1,137.31, including a £33.13 compensation credit for processing SMP.



Conclusion

This case highlights Corient's expertise in navigating complex payroll situations with precision and care. We safeguarded the client's interests by ensuring compliance and transparent communication and demonstrating our commitment to employee welfare.



The road to success and the road to failure are almost exactly the same.

– Colin R. Davis

