

Finances for Parents

Summary from Achieving the Balance for GP Parents Webinar 09.07.20

SMP vs MA

| Statutory Maternity Pay | Maternity Allowance |
|---|---|
| For Salaried GPs | For self-employed locums paying class II National Insurance |
| Paid Monthly | Paid Monthly |
| Tax and NI apply | Not Taxable |
| Paid for 39 weeks 1-6 weeks - 90% average weekly earnings Next 33 weeks - £151.20 | Paid for 39 weeks at £151.20 |

Child Benefit

- All parents are entitled, claims can be backdated up to 3 months
- Rates: 1st child - £21.05/ week. Additional children - £13.95/ week
- Earnings of > £50,000 this is taxed. Highest earning parent pays on Self-Assessment. Earnings > £60,000 you lose all child benefit through tax BUT paying protects state pension entitlements as below
- Child Benefit and State Pension- those with children <12 years, paying child benefit during years not worked/making National Insurance contributions gives NI Credits counting towards your State Pension

More info: <https://www.gov.uk/child-benefit/what-youll-get>

Tax Assisted Childcare

- Replaces the childcare voucher scheme which closed in 2018
- Parents can put money aside for childcare e.g. nursery, nanny, childminder, relatives if they are childminder registered, out of hours school care
- For every 80p paid, 20p is topped up by the government
- £2000 is the maximum a parent can put aside per year
- Both parents must be working
- If one parent earns >£100,000/ year they will not be eligible

More info: <https://www.gov.uk/apply-for-tax-free-childcare?step-by-step-nav=d78aeaf6-1747-4d72-9619-f16efb4dd89d>

30 hours/week Funded Childcare

- Available during school term time - 38 weeks of the year
- For children aged 3-4 years

- Stops when your child starts reception or compulsory school age
- Eligibility depends on income >£100,000 earners not eligible but may get 15 hrs/week

More info on how to apply: <https://www.gov.uk/30-hours-free-childcare>.

KIT Days

Useful information on KIT days is in the recent BMA document on returning to work: <https://www.bma.org.uk/pay-and-contracts/maternity-paternity-and-adoption/return-to-work/returning-to-work-and-your-rights-as-a-working-parent>.

A summary of the key points:

- Up to 10 KIT days can be worked within maternity period.
- They are voluntary and can cover any work activity.
- Pay: NHS employees may be paid at basic daily rate for hours worked minus maternity payment for KIT day. Up to individual and practice to negotiate.
- KIT days don't necessarily extend maternity leave but junior Drs are entitled to the equivalent time off in lieu.
- Plan and negotiate this early preferably before maternity leave.