Policy: Sick Pay policy

Information about sick pay allowances and entitlement, covering Statutory Sick Pay, occupational sick pay and absences with an industrial cause.

Policy: Sick Pay policy

Service: HR and Organisational Development

Subject: Pay

This policy must be read together with the Attendance Management policy procedure, which explains what should happen when an employee is off sick for any reason and provides guidance for both the employee and the manager.

The same procedure advises on the use of the occupational health service and gives examples of letters that might be used in different situations. Absence due to industrial disease or accident is treated separately from normal sickness for the purpose of calculating sick pay entitlement.

This policy has been Equality Impact Assessed.

For help with the policy

Please contact My Helpdesk on 0208 541 9000 or by email at My Helpdesk HR/COR/SCC

**Sick pay allowances**

**How sick pay is calculated**

If you are absent from work due to illness (including injury or other disability) you are entitled, depending on your contract of employment, to receive an allowance as follows:

<table>
<thead>
<tr>
<th>Service Period</th>
<th>Full Pay</th>
<th>Half Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>During 1st year of service</td>
<td>1 month</td>
<td>+ 2 months*</td>
</tr>
<tr>
<td>During 2nd year of service</td>
<td>2 months</td>
<td>+ 2 months</td>
</tr>
<tr>
<td>During 3rd year of service</td>
<td>4 months</td>
<td>+ 4 months</td>
</tr>
<tr>
<td>During 4th &amp; 5th year of service</td>
<td>5 months</td>
<td>+ 5 months</td>
</tr>
<tr>
<td>After 5 years service</td>
<td>6 months</td>
<td>+ 6 months</td>
</tr>
</tbody>
</table>

*after completing 4 months’ service

Entitlement is dependent on length of service. Any sick leave taken during the previous 12 months (immediately preceding the first day of absence) is deducted from the entitlement.

Length of service means continuous service in local government and related employment.

In exceptional circumstances where an employee has used up their sick leave entitlement on either full or partial pay, the employee may be entitled to a payment from the Sick Pay Fund.
half pay, an extension may be considered.

**Link to Absence Management sick pay procedures**

**Attendance management policy and procedure**

**Welcome to the People@work attendance management policy & procedure**

The attendance management procedure sets out how to handle short and long term sickness absence in a fair, consistent and sensitive way. A Flow chart provides a pictorial overview of the procedure, the Checklist offers a quick guide for both employees and managers and the detail on how to handle attendance issues is contained in the Procedure. Additional supporting information is available in the Guidance along with Standard forms and example letters.

The attendance management procedure covers all employees, with the exception of firefighters and support employees employed in schools, who have separate arrangements.

An Equality Impact Assessment has been carried out as part of the review process. The full report is available here.

Use the links below to select the pages you require or if you would like to view/print the whole document click here for a PDF of the policy:

- Definition of terms
- Key facts
- Contents for Attendance management policy and procedure
- Reference
- Guidance and operating procedures

**Managing performance**

**Sick Pay Entitlement**

**Sick pay entitlement**

The sick pay you receive from the council is based on a combination of entitlements to Statutory Sick Pay (SSP) paid by the council on behalf of the government, and sick pay in accordance with the conditions of service specified in your contract of employment (occupational sick pay (OSP)).

You must declare to the council any benefit you are entitled to under the Social Security Acts and Regulations and any subsequent changes in circumstances on which such entitlement is based. If you fail to do so, the Council is entitled to determine the benefit by reference to the maximum benefit obtainable. This may affect your entitlement to SSP.

The majority of employees are eligible for SSP, but if you are not eligible you will be informed in writing of the reason for your ‘exclusion’. If you do not understand the reason you should contact My Helpdesk who will explain it to you. You may be able to claim Incapacity Benefit or certain other state benefits from the Department for Work and Pensions (DWP).
If you are a new employee and have either a linking letter supplied by the DWP at the end of a claim to state benefit or a Leaver’s Statement (Form SSP1(L)) from your last employer, you should send this immediately to the Shared Service Centre Employee Services Team so that your entitlement to SSP can be determined.

Most employees are entitled to receive OSP. Your contract of employment details any entitlement you may have.

SSP is paid in respect of ‘qualifying days’ which, for council employees, means every day of the week, including weekends and public holidays.

When you are sick you will receive your entitlements to SSP and/or OSP combined in such a way that at no time will your total pay, when off work sick, exceed your pay when you are well and at work. In most cases where SSP and OSP at the full rate are receivable you will receive the same pay as you normally do.

In the case of half-pay periods, the amount received is equal to half-pay plus an amount equivalent to SSP entitlement plus any other benefits payable from the DWP, provided that the total sum does not exceed full pay.

If OSP ceases you may still be entitled to SSP.

Certain employees are excluded from the SSP scheme and can claim benefits from the DWP instead. If you are sick for 4 or more days (including weekends and public holidays) Shared Services Centre Employee Services Team will tell you if you are excluded.

If you are excluded from SSP, or entitlement to benefit has been transferred to the DWP when SSP has ceased, then the appropriate level of sickness or other benefit which you are able to claim instead from the DWP is deducted from your full OSP.

**Eligibility**

Permanent and temporary employees are entitled to sick pay.

If you are employed under a contract ‘for service’ and are subject to PAYE tax and national insurance deductions from your fees, you have an entitlement to SSP.

If you have a contract ‘for service’ and receive fees without deductions of tax and national insurance you are not entitled to SSP.

**What happens if I leave the council?**

If you leave the Council having received Statutory Sick Pay (SSP) for 4 days or more during the last 8 weeks of your service, you will be sent a Leaver’s Statement (form SSP1(L)) in the week after the end of your contract. This form should be given to any future employer. If you think you should have received one but haven’t, please contact My Helpdesk.

More information about Statutory Sick Pay can be found on the Department for Work and Pensions website.

**Sick pay: absences with an industrial cause**

[Read more on page 4]({#})

[Health and Safety procedures on page 4](#)

[Occupational Health procedures on page 4](#)
Employees not eligible for SSP on page 4

Absence reporting on page 5

Employees suffering permanent disablement on page 5

Scheme for compensating staff on page 5

Contact with infectious diseases on page 5

Absence due to non-work-related injury or accident on page 5

Sick pay to victims of crimes of violence on page 5

Make sure that your manager knows if your absence is because of an injury or accident in the course of your employment.

Although many employees will receive Statutory Sick Pay (SSP) for industrial injury as for any other sickness absence, it is necessary to determine whether or not the absence has been caused by a work-related incident(s) (industrial cause).

If the cause is industrial, you may have two separate entitlements, providing sick pay for longer periods.

It is important to follow correct Health and Safety procedures and report causes, timing, and injuries. There should be no presumption of negligence or misconduct. If misconduct is suspected, this can only be established through the normal procedures which require that a thorough investigation should be carried out immediately whilst the circumstances are fresh in everyone's minds. Where this investigation cannot be completed quickly, for example because of the absence of the employee, there should be no presumption of negligence or misconduct. Payment of sickness allowances should be authorised, without prejudice to the outcome of the subsequent investigation. You should be aware, however, that the outcome of the investigation could cause the allowance to cease and the council may recover allowances paid.

If the occurrence was an accident, it must be recorded on the official accident report form FIN 241.

The local manager responsible for completing and signing the accident form should confirm that the accident has been investigated and, although the manager may not personally have witnessed it, that the facts are correct as far as can be ascertained. If advice or instructions on safety and health matters have been disregarded, the facts should be recorded as 'further information bearing on the accident'.

If circumstances suggest that an illness or disease has occurred as a result of any aspect of the working environment, the manager must refer the matter to Occupational Health immediately.

Subsequent absences that are claimed to result from the original industrial cause may or may not be actually related and they must be referred to occupational health. If the relationship cannot be confirmed immediately, sickness payment must be authorised on the basis of there being a relationship, without prejudice to the eventual decision. The Council has a right to refer any employee to Occupational Health.

Employees who are not eligible for SSP can claim state sickness and invalidity benefits for absences arising from industrial causes even if they have not paid any National Insurance contributions to qualify. For this reason a deduction from any contractual sick pay due is made equivalent to the amount of state benefit.
claimable: this may have the effect of cancelling pay altogether.

Absence from work should follow Attendance Management Procedure. The coding for Industrial Injury is illness code ‘A’

Employees who sustain injury or contract disease while acting within their employment and suffer permanent disablement may be eligible for:

(i) Industrial Injuries Disablement Benefit (which can be claimed after 15 weeks has elapsed from the original incident). Form BI76 may be required by the DWP, and must be referred to the Risk Management and Insurance Unit.

(ii) The council's Scheme for Compensating Staff and/or the Injury Allowance provisions of the Local Government Pension Scheme, if unable to continue work.

In cases where an employee sustains an injury, contracts a disease or dies whilst acting in the course of their employment, pension services should be informed as it may result in additional or different benefits being paid to the employee or their dependants or estate.

Employees who, in accordance with the National Insurance Act, are prevented from attending their place of employment because of contact with an infectious disease must notify their manager immediately and will be entitled to receive full pay less any benefits payable under the Act. Any period of absence will not be counted against the entitlement to sick leave.

In the case of contact with other infectious or contagious diseases the employee should not stay away from duty, if fit for work, but should notify their manager of the situation.

In both cases the manager must inform Occupational Health immediately.

If you are absent because of an injury or accident caused by someone else, e.g. a road accident, you may be asked to complete an undertaking that you will repay your OSP if you recover equivalent compensation for loss of earnings from the third party. Loss of earnings should be included in any claim for compensation by your solicitor.

If your absence is the result of an accident or injury sustained whilst taking part in professional sport or from your own misconduct, the council reserves the right not to make sickness payments.

If an employee is absent from work because of an injury that will be the subject of a claim to the Criminal Injuries Compensation Board, and is otherwise qualified to receive sick pay, the employee will not be required to refund any part of it from the sum which the Compensation Board may award.

Where an award has been made by the Compensation Board, the council may, depending on the circumstances, discount all or part of the sick leave caused by the injury in calculating the employee's future entitlement to sick pay.