

IRIS Cascade

Statutory Neonatal Care Pay

April 2025

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About Statutory Neonatal Care Pay

Following the introduction of the Neonatal Care (Leave and Pay) Act 2023, employees with a parental or other personal relationship with a baby who is receiving neonatal care can take up to 12 weeks of paid leave which, subject to meeting the relevant criteria, will be paid at the statutory rate. This new act comes into effect from 6th April 2025 (tax year 2025/2026).

This includes a minimum entitlement of one week, in addition to other leave entitlements such as maternity, paternity, adoption and shared parental leave.

Key factors of Statutory Neonatal Care include:

Eligibility

- If a child needs at least seven continuous days of neonatal care within 28 days of birth, the employee may qualify for SNCP if all other criteria is met
- Eligible employees accrue one week of SNCP for each full seven date period their child is in neonatal care – neonatal care pay, and leave cannot be taken until accrued
- 26 weeks continuous service required
- Earn on average at least £125 per week gross in the relevant period
- The employee must take leave within the first 68 weeks of their baby's birth to qualify for SNCP
- Where parents are also eligible for SMP/SAP/SPP, the relevant week for Neonatal Care Pay will align with that other entitlement. If parents are not eligible for SMP/SAP/SPP, the relevant week for SNCP becomes the week prior to the child entering neonatal care.
- The entitlement applies to parents of children born on or after 6 April 2025 and who are employed in England, Scotland or Wales.

Tiers

SNCP can be taken in Tier 1 or Tier 2

- **Tier One** - This is when the child is still in neonatal care or within one week after discharge. Can be taken flexibly in non-consecutive weekly periods.
- **Tier Two** - This is any period outside the Tier 1 period, until the end of 68 weeks following the child's birth. Any tier two leave must be taken in a single continuous block.

Payment

- Rate of pay is equivalent to other statutory paternal pay, which for 2025/26 is £187.18 or 90% of average weekly earnings, whichever is lower

Admissions

- There may be occasions when a child is admitted into Neonatal Care multiple times within 28 days of birth
- Each individual admission must span at least one continuous week for one week of SNCP to be accrued
- Multiple admission dates are not counted in totals of days. Example:
 - Admission 1: April 6th – April 16th = 10 days – 1 whole week SNCP due
 - Admission 2: April 18th – April 23rd = 5 days – No SNCP accrued
 - Despite the child being in neonatal care for 15 days, only 1 week SNCP would be accrued.
- Relevant week for any further SNCP accrued due to re-admission of the child in neonatal care would be the same as the first admission

Neonatal Leave Interacting with other Statutory Payments

- Any leave taken in tier 1 can be taken flexibly around other statutory payments (not SMP or SAP)
- Tier 1 leave can be stopped mid-week to accommodate other pre-booked parental leave
- In the event of leave being paused to accommodate another pre-booked parental leave, the remaining leave is tagged onto the end of the interrupting leave, or any future tier 2 leave
- Tier 2 leave cannot be paused
- Where leave is paused, for SNCP purposes, the full week is paid in the period that the leave period start date falls in.

Paying SNCP using Cascade Payroll

Access to the new neonatal screens can be given to payroll users via **Settings > Users, profiles and roles**

There are several new screens in payroll to assist with the setting up and paying of SNCP:

- **INPUT STATUTORY NEONATAL CARE PAY**

- Details
- Admissions
- Leave Periods
- Nlable History
- Payment Schedule

The Input Statutory Neonatal Care Pay is located at Employee > Input > Input Statutory Neonatal Care Pay. This is where the information relating to the child's stay in neonatal care is entered. From here, Cascade will calculate how much leave the employee is entitled to, based on admission dates, and schedule payments based on Leave Periods.

The screenshot shows the Cascade Payroll system interface. The top navigation bar includes the IRIS logo, the word 'Cascade', and several menu items: HR, Payroll (highlighted), Training, Recruitment, Recruitment+, Workflow, Admin, and Recent. A left sidebar contains a search bar and various navigation options like Payroll dashboard, Change payroll company, Employees, HMRC messages, Integration, Processing, Period end, Real Time Information, Reporting, Company actions, Settings, Support, and Actions. The main content area is titled 'Domino Electric (Monthly) - Period 2, 2025' and 'Viewing: (33084) Test Employee'. It features tabs for Details, History, and Input (selected). Below the tabs is a dropdown menu set to 'INPUT STATUTORY NEONATAL CARE PAY'. Underneath, there are sub-tabs for Details, Admissions, Leave Periods, Nlable History, and Payment Schedule. The 'Details' sub-tab is active, displaying a table with the following data:

Date of Birth*	
Weeks Paid	0
Weeks Payable	0
Amount Paid	0.00
Relevant Week Start	
Override Average Weekly Earnings	No
Average Weekly Earnings	0.00000

Details Tab

The following information and fields are held in the Details tab:

Field	Details
Date of Birth*	This is a mandatory field which should be populated with the child's Date of Birth
Weeks Paid	This is an editable field showing the number of weeks SNCP paid. This will be updated with the number of weeks SNCP paid when processing payroll.
Weeks Payable	This field will be updated automatically when applicable. The weeks payable is the total number of whole weeks accrued based on Admission Dates entered
Amount Paid	The amount of SNCP Year to Date
Relevant Week Start	<p>The relevant week start date will be populated based on other details entered. If the employee has SMP/SAP/SPP, the relevant week start will align with those other statutory payment.</p> <p>If no other statutory payment, the relevant week is the week immediately before the week the child enters into neonatal care</p>
Override Average Weekly Earnings	A tick box which allows the Average Weekly Earnings figure to be amended
Average Weekly Earnings	Calculated based on relevant week information. Must be greater than Lower Earnings Limit for SNCP to be paid

- To populate the editable fields, select **Update**
- **Date of Birth** is a required field and only dates on or after 06/04/2025 will be accepted
- Cascade will populate the **Weeks Paid** field during the SNCP process. If setting up an employee who has already been paid SNCP using software other than Cascade, populate this field with the weeks the employee has already been paid
- The **Weeks Payable** field will be populated by Cascade. This shows the number of weeks SNCP the employee has accrued. Cascade will populate this field based on the number of whole weeks entered in Admissions.
- Example: Admission Date 06/04/2025 Discharge Date: 23/04/2025
- **Weeks Payable** will be populated with 2 weeks once saved
- The **Relevant Week Start** will be populated by Cascade. Where parents are also eligible for SMP/SAP/SPP, the relevant week for SNCP will align with the other entitlement
 - Example: Admission Date Date: 23/04/2025
 - Employee eligible for SMP and details setup in Cascade Payroll
 - EWC for SMP 08/04/2025
 - Qualifying Week Start for SMP 22/12/2024
 - The **Relevant Week Start** for SNCP will align with SMP, and will be 22/12/2024
- If the employee is not eligible for SMP/SAP/SPP, the **Relevant Week Start** for SNCP becomes the Sunday of the week prior to the child entering neonatal care
 - Example – Admission Date: 23/04/2025
 - Employee not eligible for SMP/SAP/SPP
 - **Relevant Week Start:** 13/04/2025
- **Average Weekly Earnings** will be calculated where applicable by Cascade. The Average Weekly Earnings are based on the 8 week period prior to the Relevant Week.
- Like other Statutory Payments in Cascade, a facility is available to **Override Average Weekly Earnings**. To do this, select **Update** > tick the **Override Average Weekly Earnings** > Enter the required figure in **Average Weekly Earnings**

Admissions Tab

Field	Details
Admission Date*	This is a mandatory field which should be populated with the date of the child's admission into Neonatal Care
Discharge Date	Enter the date the child is discharged from Neonatal Care. This field can be left blank whilst the child is still in Neonatal Care, as the discharge date may be unknown.

- To enter admission dates, select **Update > Enter Admission \ Discharge Dates**
- Cascade will calculate how many weeks SNCP an employee has accrued based on the dates entered here
- A period of admission must be at least 7 continuous days for 1-week SNCP to be accrued
- If no discharge date is entered, the server date will be used to determine how many weeks SNCP is accrued based on the admission date entered
- The first day for the purpose of the entitlement is the first full day following admission into neonatal care.
 - Example: if a child is admitted on 6 April 2025, the seven full days would be completed on 13 April 2025. The leave can then be taken from 14 April 2025
 - Example: if a child is admitted on 6 April 2025 and discharged on 12 April 2025, the child has not spent seven continuous full days in neonatal care therefore no SNCP has been accrued for this admission
- The number of weeks accrued will be stored in the Details tab alongside the **Weeks Payable** field.
- Multiple admission and discharge dates can be entered in the event the child is readmitted into neonatal care within 28 days of birth
- Multiple periods of admission must be at least 7 continuous days for 1- week SNCP. Days cannot be added together from both admissions to allow for further SNPC
 - Admission 1; Admission: 06/04/2025 Discharge: 15/04/2025 - 10 days
 - Admission 2: Admission: 17/04/2025 Discharge: 22/04/2025 - 5 days

- Only 1 week SNCP has accrued despite the child being in neonatal care for 15 days as only one periods lasted 7 continuous days

Leave Periods Tab

Field	Details
Period of Leave Start*	This is a mandatory field which should be populated with the start date the employee would like to take SNCP
Number of Weeks*	A mandatory field. The dropdown will show the total number of weeks accrued, minus any weeks already taken
Period of Leave End	This field will be populated automatically based on the Period of Leave Start and the Number of Weeks populated

- To enter Leave Periods, select **Update > Enter Leave Period**
- The **Enter Leave Period** option will be disabled if an employee has either:
 - Not Accrued enough leave
 - Taken all their accrued leave
- Once enough leave is accrued, enter the **Period of Leave Start** Date and the **Number of Weeks**
- The **Period of Leave End** will be automatically populate based on the information entered for **Period of Leave Start** and **Number of Weeks**
- Cascade will assign if the leave is to be taken in Tier 1 or Tier 2
- Leave will be set to Tier 1 if the child is in neonatal care or a period of 7 days following the discharge date
- Leave in Tier 2 must be taken in one continuous block of leave outside of tier 1 leave
- If Tier 2 leave has been taken, the **Enter Leave Period** will be disabled. To add any further accrued weeks, edit the tier 2 leave to increase the number of weeks

- If leave is paused in tier 1 to accommodate another statutory payment, the whole week's SNCP has to be paid in the period that the leave start date falls into.
- For paying SNCP, the leave needs to be entered as a full week. The payment of SNCP cannot be paused and is entered in whole weeks.

Example:

- Employee has pre-booked leave for SPP from 17/04/2025 - 23/04/2025
- The employee wants to take SNCP from 15/04/2025
- To prevent the employee from having to change SPP leave, SNCP Leave can be taken from 15/04/2025 – 16/04/2025, with the remaining 5 days leave to be taken later. The remaining leave would be taken immediately after the SPP leave, or tagged onto the end of any future tier 2 leave
- In payroll, SNCP needs to be entered from 15/04/2025 – 21/04/2025
- The full weeks' pay will be paid in the period that the SNCP leave start date (15/04/2025) aligns with in the payroll calendar

Niable History Tab

- The Niable history tab will show details of the pay periods Cascade has used to calculate the Average Weekly Earnings

Payment Schedule Tab

- The Payment Schedule Tab shows when payments will be made, including the following information:
 - Type
 - Tax Period to be Paid
 - Tax Year
 - Period End Date
 - Rate
 - Weeks
 - Total

Other Changes to Cascade Payroll for SNCP

Employee Details

A new screen has been added for **STATUTORY NEONATAL CARE** in Employee Details

Field	Details
No of weeks Paid	This field will show the number of weeks SNCP paid to the employee
Amount to Date	Shows the amount of SNCP paid in the current tax year
SNCP Recovered to Date	This will show the amount of SNCP recovery in the current tax year
SNCP NI Compensation to Date	If company can claim for small employer relief, this field will show the amount in the current tax year

- The fields will be automatically populated once a period end is complete
- The following fields are editable:
 - Amount to Date
 - SNCP Recovered to Date
 - SNCP NI Compensation to Date

Statutory Neonatal Care Pay History

A new screen has been added to the History tab of employee details for **STATUTORY NEONATAL CARE PAY HISTORY**

Field	Details
Year	Tax Year of SNCP Payment
Period	Period the payment was made
Company	Company employee was paid from
Frequency	Pay Frequency paid using (monthly / weekly / 2 weekly/ lunar)
Total Weeks	The total number of SNCP weeks that have been paid
Total Paid	The total of SNCP paid to the employee
Amount Recovered	The amount of SNCP recovered
NI Compensation	The amount of any NI Compensation from the SNCP payment

- This record will be automatically updated at Period End
- There is an option to Add a New Record if employee was paid SNCP prior to payroll being run using Cascade

Reports & Query Builder

The following reports have been updated to include Statutory Neonatal Care Pay elements

- Statutory Deduction Report
- Statutory Leave Report
- HMRC Reconciliation Report
- Gross Pay Analysis Report (totals)
- Gross Pay Report (employee breakdown)
- Earnings Differences Report
- Employee Payment and Deductions Report
- Query builder has been updated to include Statutory Neonatal Care screens

HMRC Submissions

The following procedures will include fields for Statutory Neonatal Care:

- Full Payment Submission (FPS)
 - Value of Statutory Neonatal Care pay (SNCP) year to date
- Employer Payment Summary (EPS)
 - SNCP Recovered
 - NIC Compensation on SNCP
- 3rd Party Payment Files
 - SNCP Recovered
 - SNCP NIC Compensation