



## Press Release

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### **Inland Revenue Must Take Responsibility For Maternity Pay, says Business**

The Government must take responsibility for administering increased maternity pay, the Institute of Directors (IoD) said today. As the consultation process on the Government's White Paper, *Work and Families. Choice and Flexibility*, drew to a close the IoD said there should be an end to the practice of businesses having to pay Statutory Maternity Pay up front and then having to recoup the money from the Inland Revenue.

Richard Wilson, Head of Business Policy at the IoD, said:

"If paid maternity leave is increased from six to nine months by April 2007 and probably to a year's paid annual leave by the end of the current Parliament, then it is essential that the burden of administering and paying Statutory Maternity Pay, Statutory Paternity Pay and Statutory Adoption Pay should be transferred from employers to the Inland Revenue. This arrangement would have the benefit of matching the increase in maternity rights with an easing of the financial and regulatory burden on employers."

In its response to the consultation the IoD also pointed out that many businesses already operate voluntary flexible working arrangements for their staff.

Richard Wilson, said:

"Some 75% of IoD members operate flexible working policies in their organisations already. A fifth of members provide sabbaticals for employees to help them care for relatives (or others). Since many businesses are embracing flexible work, the need to extend the right to request flexible work from parents with children under the age of six to other parents of older children and to carers who look after sick or disabled relatives are probably unnecessary."

The IoD said that it hoped the Government would ensure that further family-friendly policies balanced the interests of both employees and employers.