■ IMPORTANT NOTICE FOR MUMS AND EMPLOYERS ■

Had a baby in the last 5–6 years?

You may be owed pension contributions from your employer — please read on.

A widely reported payroll issue has led many employers to underpay workplace pension contributions during maternity leave — often without anyone realising. Here is what you need to know.

> **The law:** During paid maternity leave, your employer must continue paying pension contributions based on your **full, pre-maternity salary** — not your reduced Statutory Maternity Pay (SMP). Many payroll software systems have been calculating it based on the lower SMP figure instead.

KEY FACTS

1. A survey of 379 mothers by financial community Nugget Savings found over 239 had discovered discrepancies in their pension contributions — with one woman owed as much as £20,000.
2. The error stems from payroll software calculating contributions as a percentage of actual (lower) maternity pay, rather than normal pre-leave earnings. This affects many major payroll platforms.
3. Payroll vendors named in reports include BrightPay, Deel, Employment Hero, Intuit, Rippling, Sage and Xero. Manual adjustment is possible but often overlooked by payroll teams.
4. The same rule applies to paternity, adoption, and shared parental leave. Salary sacrifice pension arrangements carry even stronger protections during maternity leave.
5. HOW FAR BACK? Employers can voluntarily correct underpayments with no time limit. However, if you need to make a formal legal claim, the limit is 2 years back from the date of the last underpayment. Act now — do not delay.

HOW TO CHECK

- ✓ Locate your payslips from the maternity leave period.
- ✓ Compare the employer pension contribution shown against: your normal pre-leave salary x your employer's contribution rate.
- ✓ If contributions were based on your reduced SMP rather than your full salary, you may be owed the difference — plus any investment growth since.
- ✓ Raise it with your HR or payroll team in writing and ask them to investigate with your pension provider.
- ✓ If your employer will not cooperate, you can make a formal claim — but note the 2-year legal limit for backdated claims. Act quickly.

Full technical detail

Scan the QR code or visit the link below for the AccountingWEB article by Tom Herbert (January 2026):

https://www.accountingweb.co.uk/tech/accounting-software/payroll-software-gaps-leave-maternity-pension-contribution-pothole

A note for payroll & finance teams

If you process payroll, please check whether employer pension contributions during any employee's maternity leave have been calculated on actual maternity pay rather than pre-leave salary. A manual correction and backdated contributions may be required. All major payroll platforms support this adjustment.

Brought to your attention by SmallBiz Accounts — the friendly accountants for dentists. Questions? Call us on 03330 907 476 or email hello@smallbizaccounts.co.uk

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