

# Paternity Policy & Procedure

<b>Policy owner:</b>	Chief People Officer
<b>Policy approver:</b>	Executive Committee
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<b>Document owner:</b>	Senior Employee Relations and Policy Manager

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## 1. Purpose & Objectives

British Business Bank Plc and its subsidiaries (the Bank) is supportive of the family unit and wants to ensure that parents are given sufficient time to enjoy the arrival of new members of their family.

This policy provides information regarding when an employee may be entitled to paternity leave and paternity pay and sets out the arrangements for taking it.

This policy will be applied fairly and with due regard for any protected characteristics an employee may have.

In some cases, employees and their partners may be eligible to opt into the shared parental leave (SPL) scheme which gives additional flexibility to share the leave and pay available in the first year. This is in addition to an employee's right to paternity leave. For information about SPL, see our Shared Parental Leave Policy and Procedure.

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## 2. Scope

This policy and its associated procedures apply to all employees of the Bank entities and operations and apply equally to full time and part time employees, regardless of hours worked, or length of service. It does not apply to colleagues or personnel who are not employees, including agency workers, consultants, self-employed contractors or interns.

This policy does not form part of any employee's contract of employment and the Bank may amend it at any time and may depart from it depending on the circumstances of any case.

This policy will be reviewed from time to time to ensure that it reflects the Bank's legal obligations and our business needs.

The policy and associated procedures do not apply once the employee has left the Bank. Nothing in this policy can override any relevant statutory provisions or statutory employee entitlements.

It is our policy to encourage open discussion with employees, to ensure that questions and problems can be resolved as quickly as possible.

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## 3. Entitlement to Paternity Leave

Paternity leave is available on the birth of a child if an employee has been continuously employed by us for at least 26 weeks ending with the 15th week before the Expected Week of Childbirth (Qualifying Week) and the employee is either:

- the biological father and will have some responsibility for the child's upbringing; or
- the partner (that is, spouse, civil partner or cohabiting partner) of the mother, and will have the main responsibility (with the mother) for the child's upbringing; or
- one of the child's biological parents, or their partner is one of the child's biological parents, on the birth of a child born to a surrogate mother, and the employee expects to obtain a parental order giving them and their partner legal responsibility for the child.

Paternity leave is also available where a child is placed with an employee for adoption by an adoption agency or placed under a fostering for adoption arrangement by a local authority, and the employee

expects to have main responsibility (with their partner) for the child's upbringing. This is available if the employee has been continuously employed by us for at least 26 weeks ending with the week in which the agency notifies the employee that they have been matched with a child (Qualifying Week).

In adoption, fostering for adoption or surrogacy cases, employees may be entitled to take adoption leave instead (see our Adoption Policy). However, adoption leave may only be taken by one parent. Paternity leave is available to the other parent (of either sex). Employees cannot take both paternity leave and adoption leave.

Employees cannot take paternity leave if they have already taken shared parental leave in respect of the same child. Employees may be eligible to take shared parental leave after paternity leave (see the Shared Parental Leave Policy).

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## 4. Taking Paternity Leave

Statutory Paternity Leave is a period of up to two weeks' leave taken when a child is born or placed with the employee for adoption. Employees can start their paternity leave on the date of birth or placement, or later, provided it is taken within 52 weeks of the birth or placement. If the baby is born prematurely the period ends 52 weeks after the start of the Expected Week of Childbirth.

The Bank enhances paternity leave to four weeks, which can be taken in any combination of one-week blocks in the 52 weeks after the birth (or adoption) of the child. Employees starting a period of shared parental leave lose any remaining entitlement to paternity leave.

The Bank enhances paternity leave to four weeks

To take a period of paternity leave, the employee must give written notice to their Line Manager or HR by at least 28 days before each period of leave (or no more than seven days after the adoption agency notifies the employee of being matched with a child), or as soon as they reasonably can, stating:

- the Expected Week of Childbirth or Expected Placement Date;
- whether the employee intends to take one week or two weeks' leave during the relevant period; and
- when the employee would like their leave to start (which may be a specified date after the start of the Expected Week of Childbirth or the Expected Placement Date, the actual date of birth, a specified number of days after birth or a later date of the employee's choosing).

The employee must provide a signed declaration to confirm the employee is taking paternity leave to care for the child or to support the child's other parent in caring for the child. A form is available from HR.

In the unfortunate event of a stillborn baby after 24 weeks of pregnancy, or the loss of a child after childbirth (neonatal loss), the entitlement to the full period of paternity leave and Statutory Paternity Pay (subject to the eligibility provisions in paragraph 5 below) shall still apply.

For details of the support available in the event of a stillbirth or neonatal loss, please see the Special Leave Policy.

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## 5. Paternity Pay

Statutory Paternity Pay (SPP) is payable during paternity leave provided an employee has at least 26 weeks' continuous employment with the Bank ending with the Qualifying Week and the employee's average earnings are not less than the lower earnings limit set by the government each tax year. The rate of SPP is set by the government each tax year, or at 90% of employees average weekly earnings in the eight week period ending with the Qualifying Week if this is lower.

An employee will qualify for Company Paternity Pay (CPP) if they have been continuously employed during the 26-week period ending with the Qualifying Week and have not received any company paternity pay, maternity pay, adoption pay or shared parental pay from our employment during the 12-month period ending with the Qualifying Week. This will be paid at the rate of the employee's normal basic salary during paternity leave (for up to a maximum period of four weeks) and includes any SPP that may be due for that period. CPP is payable only in circumstances where the employee is in receipt of SPP (or would have qualified for receipt of SPP, had they not already taken two weeks' paternity leave).

In order to receive CPP employees must first confirm in writing to their Line Manager or HR that they intend to return to work for at least three months after their final period of paternity leave (and/or any shared parental leave in respect of the same child), and sign a repayment agreement stating that they agree to repay any company paternity pay (but not SPP) if they later decide not to work this minimum period, in accordance with the repayment requirements summarised below. If the employee does not return to work for this minimum period any CPP (but not SPP) must be repaid in accordance with the repayment requirements set out below.

The Bank may deduct some or all the CPP which is repayable in accordance with this paragraph 5 from any final salary/expenses or bonus payments/accrued holiday pay which are due to the employee. If the total amount of SPP to be paid exceeds the employee's final salary, then we will set out a repayment schedule for the excess.

If the employee returns to work for more than three months after their final period of paternity leave, no CPP is repayable.

An employee does not have to return any CPP if the Bank terminates their employment, unless the Bank was entitled to and did terminate the employee's employment summarily.

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### Version control

Version	Date	Author	Description	Approved by	Date approved	Date published
V 1.0	17 Dec 2018			Executive Committee	17 Dec 2018	20 Dec 2018
V 1.1	19 Jan 2021		<b>MATERIAL changes to the policy.</b> Amendments to the	PRG	18 Jan 2021	xx

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			<p>Paternity Policy and Procedure. The only material change is in relation to the increase in company paternity pay for the full 2 weeks of paternity leave. This is to bring the policy in line with the current practice in the Bank.</p>			
V 1.2	8 February 2021		<b>MATERIAL changes to the policy</b>	Executive Committee	15 February 2021	
V 2.0	19 February 2021		New Branded Template only. No changes to Exco approved policy			19 February 2021
V 2.1	6 May 2021		Procedure amendment. Not a material addition to the policy, but clarification of existing policy		7 May 2021	
V 3.0	7 May 2021		Intranet version of v2.1	n/a		7 May 2021
V4.0	7 March 2022		Changes to family friendly policies and how bonus is calculated. Intranet version	Executive Committee		7 March 2022
V5.0	26 May 2023	Organisation Design, People Relations & Policy Director	Material Changes - Enhancements to family friendly policies, service eligibility, phased return, payback period and paternity leave level	Executive Committee	23 May 2023	26 May 2023
V6.0	March 2024	Senior Employee Relations and Policy Manager	Updated to reflect new legislation on how and when paternity leave can be taken	CPO	March 24	March 24
V6.1.1	April 2024	Senior Employee Relations and Policy Manager	Corrected minor formatting issue	N/A		April 2024

# **Paternity Leave Procedure**

## **Changing Leave Dates or Cancelling Leave**

Employees may vary the dates of any period of paternity leave if they give at least 28 days' notice before the start date of period.

## **Time off for Ante-Natal/Adoption Appointments**

Employees eligible for paternity leave under this policy will be allowed a reasonable amount of time off to attend ante-natal or adoption appointments. Every effort should be made to arrange such appointments at the start or end of the day.

## **Terms and Conditions**

All the usual terms and conditions of an employee's employment remain in force during paternity leave, except for the terms relating to pay. Any bonus entitlement will be subject to the rules of the bonus scheme as amended from time to time and paternity leave will be treated as working time for bonus purposes.

Holiday entitlement will continue to accrue during paternity leave. If an employee's paternity leave continues into the next holiday year, any remaining holiday that is not taken before their paternity leave can be carried over to the next holiday year and should be taken as soon as possible.

## **Pension Contributions**

If you are a member of the pension scheme, during any period you are in receipt of Statutory Paternity Pay only, or during any period of unpaid paternity leave, the Bank will continue to contribute to your pension under the salary sacrifice arrangement at the rates set out in your contract of employment, based on what your earnings would have been if you had not been on paternity leave.

During any period you are in receipt of Company Paternity Pay (see the Paternity Pay section of this Policy) you will be required to contribute 2% or 3% (depending on the rate at which you have opted to contribute) based on the amount of Company Paternity Pay you are receiving at the time (excluding any Statutory Paternity Pay). The Bank will contribute 8% or 15% (depending on the rate of contribution), but based on what your earnings would have been if you had not been on paternity leave. The Bank will also make an additional contribution equivalent to the difference (if any) between the contribution paid by you and the contribution based on what your earnings would have been if you had not been on paternity leave.

## **Flexible Working**

You can request a change in your working hours or working pattern to apply following your return from any period of paternity leave. All requests for part time working or other flexible working arrangements

will be considered under the Bank's Flexible Working Policy and Procedure. It is helpful if such requests are made as early as possible.

### **Roles and Responsibilities**

The Bank commits to training managers and communicating with all other employees about their rights and responsibilities under this policy.

### **Compliance**

All managers have a duty to ensure that they and all the employees they are responsible for are aware of, and comply with, the Bank policies and procedures.

### **Further Information**

Current statutory eligibility criteria and payment provisions are provided in this policy document for guidance purposes only. Employees are advised to check the following website for the latest information on eligibility and statutory payment provisions, <https://www.gov.uk/paternity-pay-leave>.