

**PREGNANCY AND MATERNITY POLICY**

This Policy applies to all employees of KPMG UK Limited (the "Firm") who are pregnant. It does not apply to agency workers, consultants, contractors, Partners or the self-employed.

**A DEFINITIONS**

- Expected Week of Childbirth ("EWC"):** The week, starting on a Sunday, in which your doctor or midwife expects you to give birth
- Qualifying Week:** The 15th week before the EWC

**B MATERNITY LEAVE**

All employees are entitled to 52 weeks' maternity leave and are specifically required to take two weeks' following childbirth off as Compulsory Maternity Leave.

Your maternity leave will start on the earlier of:

- (a) your chosen start date (if notified in accordance with this Policy); or
- (b) the day after any day on which you are absent for a pregnancy-related reason during the four weeks before your EWC. Please inform the Firm as soon as possible in writing if you are absent for a pregnancy related reason; or
- (c) the day after you give birth if you give birth before your maternity leave was due to start. Please inform the Firm of the date of birth in writing as soon as possible.

**C MATERNITY PAY**

**Statutory Maternity Pay ("SMP")**

Employees who meet the qualifying criteria (see FAQs for details of these requirements) may be entitled to receive SMP during maternity leave

The amount of SMP you will receive is calculated in accordance with relevant legislation. This currently states that you will be entitled to 39 weeks SMP at the following rates:

- (a) six weeks at 90% of normal weekly earnings; and
- (b) the next 33 weeks at the SMP flat rate or 90% of average weekly earnings, whichever is less.

The SMP flat rate is set by Government and is therefore subject to change.

**Company Maternity Pay ("CMP")**

If you meet the criteria to be eligible for SMP the Firm may pay you CMP. CMP is paid at the sole discretion of the Firm so may be amended at any time but is currently:

- (a) your normal monthly salary for the first 18 weeks of maternity leave; followed by
- (b) any entitlement to SMP for the next 21 weeks of your Maternity Leave.

CMP is inclusive of any entitlement to SMP and will be paid less appropriate deductions.

The maximum amount of enhanced pay an employee may receive in respect of leave taken under this policy and the Firm's Shared Parental Leave, Paternity or Adoption Policies, is 18 weeks' normal salary. By way of example, if you are the child's mother and have already taken 12 weeks' maternity leave for which you have been paid CMP under this policy, you would then only be eligible to receive enhanced pay under the Firm's Shared Parental Leave Policy for six weeks' Shared Parental Leave.

This Policy does not form part of your contract of employment and the Firm may amend, remove or replace its provisions at any time.

**FAQs**

**A DURING PREGNANCY**

**How do I notify the Firm that I am pregnant?**

You should inform the Firm as soon as possible that you are pregnant.

As a minimum, before the end of the Qualifying Week, you should:

- (a) notify your performance manager and PeopleCentre of the fact that you are pregnant, the date on which you want your maternity leave to start and your EWC. Note that the earliest date on which you maternity leave can start is the Sunday at the start of the 11th week before your EWC; and
- (b) provide (no later than 3 weeks before your maternity leave commences) the MATB1 certificate which can be obtained from your GP or Midwife, confirming your EWC.

You can use the Notification of Maternity form which you can obtain from the PeopleCentre by calling 710 4846 or 01923 214846.

**What if I have an ante-natal appointment?**

You will be entitled to reasonable time off for ante-natal care on the advice of your doctor, midwife or health visitor. This will be paid at your normal salary rate. You should inform your performance manager and HR as soon as possible once you have the date of any such appointment to make the necessary arrangements. For all appointments other than your first, you will need to provide a copy of a certificate from your medical practitioner confirming the time and date of your appointment. Please record time off for antenatal care to the "Pregnancy Appointment" code 0237 on your timesheet.

**What if I am sick for a reason related to my pregnancy?**

Pregnancy-related sickness absence will generally be processed in accordance with our normal Sickness Absence Policy and will count towards your Company Sick Pay entitlement, if any is payable. You should therefore comply with the requirements in terms of notifications as outlined in that policy. However, pregnancy related sickness will be disregarded in any other future employment related decisions and so should be recorded separately using the "Pregnancy Sickness" code 0238 on your timesheet.

If you are absent for a pregnancy-related reason during the four weeks before your EWC then your maternity leave will be considered to automatically start from the first day of that absence.

**Should another risk assessment be carried out?**

Yes, a further risk assessment to assess your workplace and identify any risks to you should be carried out if you are pregnant or have given birth within the last six months and are still breastfeeding. The Firm will provide you with the required information to assess any risks identified in the assessment and will explain any preventative or protective measures which will be taken. If the Firm considers you would be exposed to health hazards in carrying out your normal role, we may take steps to avoid those risks such as changing your working conditions (e.g. hours of work); offering you alternative work on terms which are not less favourable than you currently receive; or suspending you from particular duties which will usually be on full pay unless you have unreasonably refused suitable alternative work.

**What if I don't comply with the notification requirements outlined in this policy?**

In order to take advantage of the rights and benefits outlined in this policy you must comply with the various requirements outlined herein. Failure to do so will not affect your statutory rights but will mean that you will not be eligible to receive the additional company benefits and pay which are offered.

## **B DURING MATERNITY LEAVE**

### **Who qualifies for SMP?**

You will be entitled to receive SMP during your maternity leave if you:

- (a) have been continuously employed for at least 26 weeks at the end of the Qualifying Week and are still employed by the Firm during that week; and
- (b) have average weekly earnings during the eight weeks ending with the Qualifying Week (the "Relevant Period") of not less than the lower earnings limit set by Government; and
- (c) provide the Firm with a doctor's or midwife's certificate (MATBI form) confirming your EWC; and
- (d) give at least 28 days' notice (or as much notice as is possible) of your intention to take Maternity Leave; and
- (e) are pregnant 11 weeks before the start of the EWC or have already given birth.

### **When is SMP paid?**

SMP (or CMP if payable) will be paid by the Firm in the usual payroll run and is subject to deductions for income tax, national insurance and pension contributions in the usual way.

Payment of SMP will cease if you:

- (a) are not in a country within the European Economic Area or a country with whom the UK has a reciprocal agreement; or
- (b) terminate your Maternity Leave; or
- (c) die; or
- (d) are imprisoned or remanded in custody at any time during the maternity pay period; or
- (e) commence employment with a new employer after your baby is born and your new employer did not employ you in the Qualifying Week. If you obtain a new job while in receipt of SMP from the Firm you are required to inform us in writing and confirm the date you are due to commence employment.

### **What is "monthly salary" for the purposes of CMP?**

Your "monthly salary" for the purposes of CMP is your base salary after the impact of any flexible benefits you have selected, which are applicable at or during the maternity leave and excludes any payments that are non-pensionable such as bonus or overtime.

### **What if I give birth early?**

If you give birth earlier than expected, your maternity leave will start immediately following childbirth.

### **What if I have a stillbirth?**

If you have a stillbirth after 24 weeks of pregnancy you will still be entitled to maternity leave as outlined under this policy. This will start immediately following the birth.

### **Will I continue to be contacted by the Firm while on maternity leave?**

Yes, the Firm may make reasonable contact with you while you are on maternity leave. This would usually only be necessary to discuss issues affecting you, such as return to work arrangements or significant workplace changes. You will also continue to remain on appropriate distribution lists and you will still be contacted about

internal news, job vacancies, training and work related social events. If you would prefer to be removed from such lists you should discuss this with your performance manager and HR prior to going on maternity leave.

In addition, you may work (including attending training) for up to 10 days during maternity leave without bringing your maternity leave to an end if agreed with the Firm. These days are known as keeping in touch ("KIT") days. The arrangements, including the type of work to be performed, should be agreed in advance with the Firm. Note however that you must not attend work during the two weeks of compulsory maternity leave immediately following childbirth. You will be paid your normal salary for any days on which you attend work. This will not be in addition to any SMP or CMP you are receiving at the time. Note that if you attend work for part of a day, you will receive payment for your usual hours that day and this will reduce your KIT days by a full day.

### **What happens to my terms and conditions of employment during maternity leave?**

All other terms and conditions of your employment (except for terms relating to remuneration as outlined above) will remain in force. In particular:

- (a) benefits in kind such as life insurance, health insurance, private use of a Firm vehicle, mobile and benefits provided through Flextra, if applicable, shall continue;
- (b) annual leave entitlement under your contract of employment and statute shall continue to accrue, subject to this Policy; and
- (c) Firm pension contributions shall be treated as outlined below.

If you are only entitled to use a car or mobile for business use, then it would not be classed as a benefit and the Firm will not be required to continue to provide it during maternity leave.

### **Bonus**

If you have spent in excess of four weeks' (either continuous or intermittent) on any combination of the leave of absences listed below, your Bonus Payment will be pro-rated. This will reflect the proportion of the financial year you have worked. Any bonus awarded will be communicated to you by letter and paid into your bank account at the same time as other staff.

- Adoption Leave
- Maternity Leave
- Parental Leave
- Personal Leave
- Reservist Leave
- Shared Parental Leave
- Sickness Leave (including Doctors certified sickness, self-certified sickness, pregnancy related sickness and phased return sickness)
- Unpaid Leave

### **Pensions**

For defined contribution schemes like the KPMG Stakeholder Pension Plan and KPMG Staff Pension Fund, whilst you are receiving maternity pay contributions are made as follows during maternity leave:

- Employer contributions will be maintained at the same level as if you were working normally (subject to the provisions below in relation to Flextra).
- Member contributions are also maintained at the same percentage contribution rates, but applied to the reduced level of maternity pay, i.e. the amounts decrease in line with the maternity pay.

When your maternity pay ceases you will have no pensionable salary and therefore all pension contributions also cease.

### Flextra

Note however that pension contributions paid under Flextra, KPMG's salary sacrifice scheme, are actually paid by the Firm on your behalf, who then give you a lower salary, e.g. for each £100 of member contributions paid by the Firm through Flextra, the Firm reduces your salary by £95, after the 5% Flextra subsidy. Accordingly, if your pension contributions are paid by Flextra, these are all employer contributions for the purposes of maternity leave, and will be maintained at the same level as if you were working normally, whilst your maternity pay continues, as will the corresponding Flextra salary reduction.

You may however request changes to your Flextra options, including pensions, due to your maternity by completing a Flextra Lifestyle Event form from the Flextra website - see <https://portal.ema.kworld.kpmg.com/europe/FIR/Benefits/Pages/FlextraHome.aspx>

### **Am I entitled to any payments if I do not qualify for SMP?**

Employees who are not entitled to SMP may be eligible for a Maternity Allowance from the Department of Work and Pensions. The PeopleCentre will notify you if you fall into this category.

### **What if I am eligible for a pay rise while on maternity leave?**

If you become eligible for a pay rise while you are on maternity leave, you will be treated for SMP purposes as if the pay rise had applied throughout the time you are on maternity leave. This means that your SMP will be recalculated and increased retrospectively, or that you may qualify for SMP if you did not previously qualify. Any difference will be paid to you in a lump sum and your future SMP will then be increased as necessary.

Any pay rise will also be reflected in your CMP from the date that the pay rise becomes effective. As CMP includes any entitlement to SMP, any recalculation of SMP may not show any change to your CMP.

### **Can I take annual leave while on maternity leave?**

No, you cannot take annual leave at the same time as maternity leave. Also note that annual leave cannot usually be carried over from one leave year to the next. If your holiday year is due to end while you will be on maternity leave you should ensure that you have taken the full year's entitlement before commencing your maternity leave.

### **What about bank holidays while on maternity leave?**

If a bank holiday falls while you are on maternity leave you will be deemed not to have had the opportunity to use that day's holiday and it will accrue to you as one day's paid holiday entitlement. All such accrued holiday must automatically be taken on the working days immediately following the end of your Maternity Leave. Where the holiday year is due to end during Maternity Leave, you may carry these accrued bank holiday days forward and, as before, must take them all as paid holiday immediately following the end of your Maternity Leave. If you are employed on a part time basis on the date you go on Maternity Leave, you will accrue bank holiday entitlement on a pro-rated basis.

### **What if I leave the Firm?**

You will still be entitled to SMP if you leave employment for any reason after the start of the Qualifying Week (for example, if you resign or are made redundant). In such cases, if your maternity leave has not already begun, SMP shall start to be paid in whichever is the later of:

- (a) the week following the week in which employment ends; or
- (b) the eleventh week before the EWC.

However, if you leave the Firm you will not be eligible for CMP from the date of termination, except at the Firm's sole discretion.

## **C RETURNING TO WORK**

### **What arrangements do I need to make for returning to work?**

The date on which you are expected to return to work will be notified to you by the Firm, usually within 28 days of the day on which your maternity leave starts. If you wish to change your return date, you must give the Firm at least eight weeks' notice in writing. If you do not give enough notice, the Firm may postpone your return date until eight weeks after you give notice. Shortly before you are due to return to work the Firm may invite you to have a meeting to discuss any changes which have occurred during your leave (e.g. changes to the working environment), relevant training requirements and other arrangements in relation to your return.

### **What happens to my pension when I return to work?**

Once you return to work, pension contributions can recommence and you should speak to the KPMG team at Standard Life on 0845 60 60 083 (for Stakeholder members) or the UK Staff Pensions helpline on 0121 609 6118 (KPMG Staff Pension Fund members) to arrange this.

You may also optionally pay "back dated" pension contributions to cover any period of your maternity pay where no contributions were made, and have the Firm make their corresponding contributions also. If you wish to do this, please contact the UK Staff Pensions helpline above to arrange.

### **What if I need more time at the end of my maternity leave before returning to work?**

If you want to return to work later you could consider:

- (c) requesting unpaid parental leave, giving us as much notice as possible but not less than 21 days;  
or
- (d) requesting paid annual leave in accordance with your contract, which will be at the Firm's discretion.

If you are unable to return on your expected return date because of sickness or injury, you should report this in the usual way in accordance with the Firm's sickness absence policy which will apply.

If you do not return on your expected return date and have not been granted any other form of leave by the Firm, your absence will be considered to be unauthorised.

### **What if I decide not to return to work?**

If you decide you do not want to return to work following maternity leave you should inform the Firm as soon as possible. You will essentially be giving notice of resignation and this should therefore be done in accordance with your contract i.e. giving the appropriate period of notice before you want your employment to terminate at the end of your maternity leave. If the amount of maternity leave you have left to run when you give notice is less than your notice period, the Firm may require you to return to work for the remainder of your notice period.

### **What if I want to return to work on a flexible basis?**

You have the right to make a request to return to work following maternity leave on a flexible basis. Any request to change your working pattern in this way (e.g. work part time) will be considered on a case by case basis in accordance with the Firm's Intelligent Working Policy. While the Firm will consider all such requests appropriately, there may be reasons which mean that your request is refused. It is therefore helpful to ensure all such requests are made as early as possible. Please refer to the Intelligent Working Policy and the MyLife site for further information.

## **D ELIGIBILITY**

### **What if I am employed by a KPMG entity other than the Firm but have been exclusively assigned to work for the Firm in the UK?**

If you are employed by a KPMG entity other than the Firm but have been exclusively assigned to the Firm in the UK, you will be treated in the same way as an employee of the Firm for the purposes of this policy if you are pregnant and your Qualifying Week is on or after your assignment Commencement Date.

If you are employed by a KPMG entity whose head office is in another European Union country, you will benefit from the better of any statutory maternity rights which are applicable in the UK or your home country.

Your continuous employment for the purposes of qualifying for CMP will be deemed to have commenced when your employment with the relevant KPMG entity commenced, if there has been no break between your employment with that entity and your assignment to the Firm.

Any entitlement to CMP will incorporate any entitlement to home country statutory payments and will end on the date your assignment to the UK ends.

### **What if I am employed by the Firm but assigned to another KPMG entity?**

If you are employed by the Firm and assigned to another KPMG entity, you will be subject to the leave, pay and benefits applying to employees of that KPMG entity at the date of your EWC (to the extent possible).

If you are assigned to a KPMG entity whose head office is in a European Union country, you will benefit from the better of the statutory maternity rights which are applicable in the UK or your host country.

Any entitlement to statutory maternity pay or leave in your home or host country does not automatically trigger any entitlement to CMP under this Policy. Such entitlement will be judged strictly in accordance with the terms of this Policy.

### **What if I am employed on a fixed term contract?**

If you are employed by the Firm under a fixed term contract and become pregnant during your employment, you will be treated in the same way as any other pregnant employee in respect of maternity pay and maternity leave. You may be entitled to SMP or CMP, provided that you meet the criteria set out in this Policy. If your fixed term contract expires during your maternity leave and is not renewed, your employment will terminate at that date in the normal way. If your fixed term contract comes to an end while you are receiving CMP, your CMP will cease at the end of the fixed term contract. You will continue to receive SMP for the remainder of the statutory maternity pay period if you remain eligible. Your entitlement to any other benefits from the Firm will cease on the termination date as normal.

### **What do I do if I have a query about this policy?**

All queries relating to the interpretation of this Policy should be addressed in the first instance to the PeopleCentre. If they cannot resolve your query, further guidance may be sought from your HR contact - their contact details will be provided by the PeopleCentre.