Parental Leave Funding Scheme

Principles

The underlying principle of the scheme is that should someone go on parental leave, the Unit (Departments and Inter-Departmental Centres) for which that person works ought not to suffer a financial penalty because of the cost of parental leave nor because of bringing in cover to do that person’s work. Equally, the University will not provide funding for costs that could be paid for by an external grantor or for replacement at a higher salary than the person on parental leave receives.

Funding available

1. **The post is not funded from external sources.** In this case the scheme will fund the difference between the current forecast cost of the employee if they were not going on parental leave and the cost of the employee on parental leave plus the cost of the cover. **The cost of cover is to be calculated once the appointment is made so that the exact funding can be allocated.** This will guard against the University over or under funding the cost. This category would also include those grant funded posts that are not covered by 2. or 3. below.

2. **The post is funded from an external grant where the sponsor will not cover the cost of parental leave.** In this case the scheme will fund the cost of the employee whilst on parental leave. The grant will be expected to pick up the cost of any cover that is arranged.

3. **The post is funded from an external grant where the sponsor will cover the cost of paternal leave.** In this case there will be no requirement for parental cost funding because the grant will be expected to fund the cover.

If you have any queries regarding the post being funded from an external grant, please discuss with RGC.

The funding will be ‘transferred’ to the department as a let in the unit’s contribution target. Inter Departmental Centres, who do not have individual contribution targets, will receive a credit against account 9805.

Please note that funding will not be provided in retrospect. Funding will only be authorised for parental leave in the current or coming financial years but not for parental leave in past financial years.

Application Process

Department – Section A

Once an expected start date for parental leave has been agreed with the employee, the unit should complete a ‘Parental Leave Funding Scheme’ application form. Section A is to be completed fully. In order to complete the form the unit will need basic details of the employee grade, salary and the following information:

- Whether cover for the parental leaver will be put in place
- How long the cover will be in place
- What grade the cover will be
- If the cover is not simply a replacement temporary appointment, what the cost of the measure being put in place to cover work – responsibility allowances, additional hours etc.
If it is an externally funded post, whether the sponsor will pay for parental leave costs
On full completion of Section A, the Department is to forward the application form to the Payroll and Pensions Office.

Payroll and Pensions Office – Section B
This office will provide the estimated cost of employing the individual whilst on parental leave. On completion of Section B, the form is to be forwarded onto the management accounts office. The correct Management Accountant to send the form onto depends on which department is applying for money and can be determined using the list at https://www.york.ac.uk/staff/finance/managementaccounting/contact-details/

Management Accountant – Section C
The Management Accountant will complete Section C and determine how much funding should be distributed. This can only be calculated once the replacement/cover has been appointed and salary known so that exact funding can be allocated.

The calculation made will be as follows:

Parental Leaver Salary
LESS Current forecast cost of parental leaver were they not on leave (from staff establishment)
LESS Cost of parental leaver on leave (from Section B on form)
LESS Cost of cover (Once replacement/cover has been appointed. This cannot exceed the Parental Leaver salary in the calculation)

If the calculation is positive then the unit do not need any funding because the budget is sufficient to pay for the parental leave cost plus cover. If the calculation is negative the funding committed should be sufficient to eliminate the shortfall.

In the case of requests for funding to only cover the cost of the parental leaver whilst they are on leave because the post is grant funded, the funding committed should equal the employment cost in parental pay period from the application form.

Group Financial Controller – Section D
The release of funding will be authorised by the Group Financial Controller. The unit receiving the funding will have its contribution target reduced by the amount of the funding authorised. In the case where the funding includes the cost of a member of staff to cover the person absent on parental leave, the funding will not be released until an appointment has been made to the parental cover post.

Once the funding has been released:

a.) Where the person on parental leave is charged to an external grant (work order starting with A, H, R or N) that is not covering the cost of their parental leave, the relevant costs will be moved from that grant into the parent department’s primary or core work order (usually a work order beginning with a 3*).

b.) The contribution target for that department will be reduced by the amount of the funding released.