



Strengthening Statutory Sick Pay Consultation
Department of Work and Pensions
December 2024

We welcome the government's proposal to eliminate the earning threshold of £123 and removal of the waiting period, which means that employees will receive sick pay regardless of their earnings and also receive it from day one. These changes will particularly help Black, Asian and minority ethnic women who are often in low paid and part time jobs. However, the new costs will place additional financial pressure on small charities and businesses, which are already facing increased costs due to higher Employer National Insurance contributions coupled with the rise in the minimum wage announced in the Autumn 2024 budget.

We therefore recommend that the government allow charities under a certain income threshold and/or having less than a certain number of employees to reclaim SSP from the government. This can similarly be done for small businesses. Support for small charities and small businesses is especially important because they can be key to supporting vulnerable persons or those who are returning to work after a long period, etc. Working in charities and small businesses is a great way for them to ease themselves back into the workplace as it can be difficult to obtain employment in the first place and can also be overwhelming to go work for a large company with lots of people.

The government could also consider examples from other European countries as alternative ways of dealing with sick pay. In Germany the cost of sick pay is shared between employers and the social security system. Employers cover the first six weeks of sick leave at full pay, after which the social security system takes over, providing a percentage of the employee's salary. To support small businesses, the German government offers subsidies to help cover the costs of sick pay, ensuring that small employers are not disproportionately burdened. In Sweden employees receive up to 80% of their salary from the first day of illness. The costs are initially covered by the employer, but after two weeks, the government takes over.

Calculating sick pay must also be fair to small charities and businesses, otherwise it may result in them not offering flexible working. For example, if someone was working 14 hours (equivalent two days), the employer may allow them to spread the hours over three or four days for example to be able to do the school drop offs and pick-ups. The days over which these hours are worked could also vary from one week to the next. This can make the calculations for SSP difficult and complex. The administrative burdens, (which disincentivises small charities / businesses from promoting part time/flexible working), do not seem to have been addressed by the consultation. The mechanism therefore needs to be evaluated because it is already really complicated to calculate SSP, because it is based on days worked rather than hours worked.

On behalf of Muslim Women's Network UK
Nazmin Akthar (Co-Chair)
December 2024