



HR SNAPSHOTS

UPCOMING CHANGES TO PARENT AND CARER LEAVE

A raft of changes to leave for parents and carers that enhance the family-friendly leave provisions have been given Royal Assent.

There are four key changes to employment rights pertaining to family leave:

- Neonatal care leave
- Redundancy protection for pregnant women and new parents
- Carers leave; and
- Paternity leave

The following is a summary of the changes to these parental and carers' leave. **We await an announcement of when these changes will take effect: we expect April 2024.**

Neonatal Care (Leave and Pay) Act 2023

Eligible parents, whose newborn baby is admitted to neonatal care can take up to 12 weeks of paid care leave. This allows parents to spend more time with their children during what can be a very stressful period. It also allows parents to focus on their children without worrying about the financial impact of taking time off. This leave is in addition to other leave that they are already entitled to, such as maternity and paternity leave.

The Protection from Redundancy (Pregnancy and Family Leave) Act 2023

The existing redundancy protections have been extended to provide greater protection for expectant employees and new parents. This extension now includes individuals who have taken a period of time off for family leave and are returning to work. Employees on maternity leave, adoption or shared parental leave already have the right to be prioritised for any suitable alternative vacancy should a redundancy situation arise while they are off. However, this right did not extend to the period when the employee was pregnant or returned to work following family leave.

Carer's Leave Act 2023

A brand-new entitlement is introduced to support unpaid carers. This will be one week of flexible unpaid leave a year, provided for employees who are caring for dependants with a longer-term care need. This supports carers better balance the demands of work and responsibilities they may have. This Act will help and support unpaid carers to remain in work alongside their unpaid carer responsibilities.

Paternity Leave

There has been criticism to suggest that the amendments to paternity leave make no concrete difference to new fathers or families. The change means that new fathers will be able to split their paternity leave into two blocks of one-week periods. Previously, it was one two-week or one-week block but could not be taken as two separate one-week blocks.

There has been no change to statutory paternity pay. Currently, this stands at £172.48 or 90% of average weekly earnings, whichever is lower.

Current Perspective and Statistics Around Parental and Carer Leave

Whilst the changes are welcomed and make good steps forward for parents and carers, there are several rules of thought that the recent changes do not go far enough to support new parents or people with care responsibilities, particularly about statutory rates of pay. Businesses will be required to comply with the new legislation but face growing pressure to act ethically and fairly and to perhaps consider going further than these minimum legal requirements. There would however be a cost implication, something some proactive and forward-thinking organisations are prepared to pay to enhance company benefits and win the war for talent in a tight labour market.

Individuals with Carer Responsibilities

A statistic from the Office for National Statistics (ONS) in 2021 puts the magnitude of the challenges faced by unpaid carers into perspective. It estimates that unpaid carers contribute to approximately £161 billion worth of unpaid work each year. This staggering figure highlights the significant financial burden and cost pressure that is not shouldered by our NHS system or social services.

Unpaid carers face pressures as they juggle their professional and personal lives while providing care. 64% of unpaid carers express a lack of choice when it comes to their caregiving responsibilities. 63% of carers have had to give up work or studying, or significantly reduce their hours at work because of their caring role.

This could amount to a huge percentage of untapped talent that with more flexibility and support could make a valuable contribution to an organisation.

New Parents

The financial pressures faced by new dads/partners who take paternity leave are significant. 43% of them return to work early due to reduced earnings. It is worth noting that paternity pay represents 47% of the National Living Wage*, further exacerbating the financial strain at a time when costs associated with having a newborn are already high.

The UK currently has one of the weakest paternity packages in Europe. This is directly impacting the stubbornly high gender pay gap. Research indicates that for countries with more than six weeks of paid paternity leave the gender pay gap was around 4% smaller in comparable countries with less than six weeks. Closing this gender gap has the potential to boost the UK economy by an estimated £23 billion of output per year.

The historic gendering of roles in the family is also impacting the mental health of both parents. Mothers often take up the primary carer role during a time of huge change, while new fathers may feel like they are missing out. As a result, according to a YouGov poll, 29% of parents have experienced mental health challenges in the two years following the birth of their most recent child.

A New Neonatal Care Bill is Welcome News

The new neonatal care bill is welcome news as a step in the right direction for parents of children who are born prematurely. This is a new entitlement on top of maternity and paternity care. This will help to alleviate stress when a baby is placed in neonatal care for an extended period. However, this will be paid at £156.66 or 90% of average earnings, whichever is lower.

While it provides much-needed support for parents, with over 700,00 babies being admitted to neonatal care each year, the impact could be significant. With average weekly earnings in the UK at £648 and the ongoing cost of living crisis hitting families, this could be an added pressure they do not need.

How Can Employers Support with Leave and Flexibility?

Flexibility is one way that employers could support carers who may need to work from home for example or to work different shift patterns to ensure they can care for their loved ones most appropriately for their care needs. Encouraging employees to be as open and honest as possible about what they are managing and how it is impacting them is beneficial from a pastoral/ support perspective but also enables employers to tailor support to their specific needs.

Whilst the new paternity leave changes don't offer any more leave entitlement employers may wish to show some flexibility and support to employees around all of the different family leave types by enabling them to take annual leave in conjunction with their family leave. Enhancing the family leave policies that you have can be a very beneficial way to retain employees.

For example at the top end of the scale, the FTSE100 company Standard Life Aberdeen offers employees 40 weeks full pay. It is likely this kind of offer will be out of reach for many smaller employers but going above and beyond to support new parents and carers as a whole, can pay dividends to business as employees will remain engaged and committed and good employer brand ambassadors Furthermore employee turnover should reduce significantly.

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