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Statutory Sick Pay: What is it and why is it so controversial?

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A commonly criticised area of employment law is that of Statutory Sick Pay (SSP), with near yearly calls from charities, unions and politicians alike that reform is needed. Whilst many employers have their own sick pay schemes, where employees receive full pay for sickness absence, there is no legal entitlement to anything other than SSP.

What is SSP?

Statutory Sick Pay is the legal minimum entitlement to sick pay. You are entitled to receive SSP for all days you are off sick that you normally would have worked, except the first 3. These 3 days are unpaid.

To receive SSP, the following criteria must be met:

1. You must be an employee and have worked for your employer
2. You must earn an average of at least £123 per week (known as the Lower Earnings Limit)
3. You must have been ill for more than 3 days in a row (including non-working days)

As of 6 April 2024, the current rate of SSP is £116.75 per week and is paid by the employer and is payable for up to 28 weeks.

Problems with SSP and Proposed Changes

A regular critique of SSP is that it does not provide adequate support for employees, especially those in financial hardship. This is a combination of the fact that SSP is only a fraction of what an average employee would receive for their normal wages (based on average UK salaries) and that employees do not receive any pay for sickness absence of less than 3 days.

The Centre for Progressive Change's "Safe Sick Pay" Campaign highlights that around one third of working people in the UK only receive SSP and there are three main elements to their campaign:

1. Remove the waiting period for sick pay for all absences.
2. Abolish the Lower Earnings Limit for Statutory Sick Pay, which would extend coverage to an estimated two million workers.
3. Increase sick pay so that it is in line with an employee's wages, up to the living wage.

This has been echoed in the House of Commons Work and Pensions Committee's report from March 2024, calling on the government to substantially overhaul SSP ahead of the 2025-26 financial year. The Committee also suggest the removal of the Lower Earnings Limit and propose increasing sick pay to be in line with Statutory Maternity Pay, which would increase SSP to either the weekly SMP rate or 90% of average weekly earnings, whichever is lower. This would be a considerable increase and would go some way to alleviating concerns that SSP fails to protect those in financial difficulties.

Whilst there are no proposed reforms to SSP as of yet, this is likely to change, given the Committee's suggestions to the government.

If you would like assistance in relation to SSP or for further advice, the employment lawyers at Hethertons will be here to help.

Our expert team of lawyers are on hand to help if you need further advice or guidance.

Call us on **01904 528223**.

The above is not intended to provide advice.

