



Department for  
Business & Trade

# Parental Leave and Pay

## Good Work Plan: Proposals to Support Families

Government Response

June 2023

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# Introduction

In July 2019, the Government consulted on high-level options for reforming parental leave and pay with a view to achieving greater equality in parenting and at work. We sought views on the benefits, costs and trade-offs that would flow from any such reform. At the time of consulting, we did not know that the Covid-19 pandemic was around the corner and that we would all be living and working through some of the most challenging times in modern history.

Governments throughout the world had to make tough decisions in the interests of keeping people safe and in work. Throughout the Covid-19 pandemic we took unprecedented steps to support as many businesses and preserve as many jobs as possible through initiatives such as the:

- the Coronavirus Job Retention Scheme (CJRS); and
- the Self-Employed Income Support Scheme (SEISS).

The CRJS and SEISS grants ended on 30<sup>th</sup> September 2021. A total of 11.7 million jobs were supported by the CJRS at various times. In total, employers claimed around £70 billion in financial support, including for parents who had been furloughed because they were unable to work for childcare reasons. Up to 16 December 2021, 2.9 million individuals had claimed at least one of the five SEISS grants, worth £28.1 billion in total.

As we continue to recover from the pandemic, the Government will prioritise policies which have the potential to benefit the most people whilst building back a better, fairer and stronger economy.

Over the past two years, we have proven our steadfast commitment to supporting workers across the UK, including raising the National Living Wage, to help with the cost of living. On 1st April 2023, we increased the National Living Wage (NLW) by 92 pence to £10.42 for workers aged 23 and over. We also increased National Minimum Wage (NMW) rates for younger workers and apprentices.

A key part of the UK's economic resilience is our strong, flexible and dynamic labour market which gives businesses the confidence to create jobs and invest in their workforce, whilst giving workers more choice over who they work for, and how often.

As a result of Government action, the number of employees on the payroll remains close to record levels, and we will continue to build a high skilled, high productivity, high wage economy that delivers on our ambition to make the UK the best place to work in the world.

This document responds to Chapter One of the 2019 consultation and sets out the Government's plans to deliver our manifesto commitment to make it easier for fathers and partners to take Paternity Leave. Introducing more flexibility was a key ask from respondents to the 2019 consultation and, when these reforms are implemented, fathers will be able to take Paternity Leave in two separate blocks of one week of leave at any time in the first year. Allowing fathers to take time off work towards the end of the mother's 52 weeks of Maternity Leave could also allow fathers to solo parent whilst supporting mothers to return to work.

The eligibility requirements for Statutory Paternity Pay will remain in place and employees will continue to be required to meet continuity of service and minimum earnings tests.

The policy response to the 2019 consultation builds on the information that we have obtained through the consultation (see [Annex One](#)) and information gathered through the evaluation of Shared Parental Leave and Pay. This includes a survey of around 3,000 parents<sup>1</sup> and a survey of around 2,500 employers (see [Annex Two](#)). We recognise that these changes to parental leave are not the radical reforms that some respondents argued for. Given the current context and the acute pressures on employers, we are proposing measures that we believe will broaden the take-up of these important employment rights, including by those in low-paid or low-skilled jobs, or with protected characteristics, whilst also being affordable.

## Executive Summary

Throughout the pandemic, the Government spent hundreds of billions of pounds on public health initiatives and on maintaining jobs, businesses and public services. Recognising that parents faced specific challenges, we passed legislation which ensured that expectant parents, who were furloughed, did not lose out on future entitlements to parental leave and pay. We also enabled employers to furlough staff who could not work for childcare reasons and put in place guidance for employers and individuals on Covid-19 safe working practices.

We want the UK to be one of the best places to work in the world. We want to build skills, increase productivity, and move to a high wage economy that delivers this ambition. We will continue to prioritise labour market policies which have the potential to benefit the most people whilst at the same time ensuring we balance burdens on businesses and taxpayers.

In future legislation, we will:

1. Give employed fathers and partners more choice and flexibility around how and when they take their Paternity Leave. They will be able to take the current entitlement of up to two weeks of leave in two separate blocks of one week of leave if they wish.
2. Give employed fathers and partners the ability to take their leave at any time in the first year, rather than just in the first eight weeks after birth or placement for adoption.
3. Change the notice requirements for Paternity Leave to make these more proportionate to the amount of time the father or partner plans to take off work. This will give parents more flexibility in planning to take the leave that they need.

We have also built an online tool which will allow parents to check if they are eligible for Shared Parental Leave and Pay and plan their leave. The tool was launched in June 2021 and is hosted on Gov.UK at: <https://www.gov.uk/shared-parental-leave-and-pay>, under 'Eligibility' and 'When you can start'.

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<sup>1</sup> Parental Rights Survey.

### Background to the 2019 consultation

In July 2019, the Government consulted on various proposals to support families. The consultation was split into three chapters:

1. Chapter One: Parental leave and pay: Supporting parents and achieving equality
2. Chapter Two: Neonatal Leave and Pay: Proposals to support parents of children who require neonatal care following birth
3. Chapter Three: Transparency: Flexible working and family-related leave and pay policies

This response is concerned with Chapter One of the consultation. It also **sets out how we intend to deliver our Manifesto commitment to make it easier for fathers and partners to take Paternity Leave**. The remaining chapters of the 2019 Consultation (Chapters Two and Three) are addressed elsewhere. We responded to the consultation on new entitlements for parents of babies who require neonatal care (Chapter Two) on 6 March 2020 and committed to introduce a new entitlement to Neonatal Care Leave and Pay for parents of premature and sick babies who spend time in neonatal care. The Government Response to Chapter Two can be found at:

<https://www.gov.uk/government/consultations/good-work-plan-proposals-to-support-families>.

We responded to the consultation on measures to increase transparency (Chapter Three) in the consultation on making flexible working the default. The Government Response to this consultation can be found at: <https://www.gov.uk/government/consultations/making-flexible-working-the-default>.

Chapter One of the consultation was concerned with high-level options for reforming parental leave and pay. At the time of consulting, we wanted to test whether the current arrangements met our policy objectives for parental leave and pay and whether more could be done to better balance the gender division of parental leave and pay between parents. We sought views on the costs and benefits of reforming parental entitlements, and any trade-offs that might need to accompany such reform.

### Policy objectives of parental leave and pay

Parental leave and pay policies give employed parents a right to time off work in various circumstances. They are supplemented by a range of employment rights and protections which are intended to prevent employers from discriminating against parents or treating them unfairly because they have been absent from work and on parental leave. Together, these rights and protections are intended to:

1. Enable women to prepare for and recover from birth;
2. Facilitate women returning to work and staying in work (i.e., boost female participation in the labour market);
3. Give working families choice and flexibility to balance their caring and work responsibilities;
4. Increase paternal involvement in childcare;
5. Close the employment and gender pay gaps;

6. Prevent pregnancy and maternity discrimination;
7. Prevent discrimination against parents who take or seek to take parental leave; and
8. Minimise the burdens on business.

Further information on the Government's objectives for parental leave and pay was set out in Annex one of the 2019 consultation.

### Scope of the 2019 consultation

The consultation focussed on additional support for employed parents. Entitlements to parental leave are employment rights which derive from the Employment Rights Act 1986. Entitlements to statutory parental pay derive from the Social Security Contributions and Benefits Act 1992. The eligibility criteria for statutory parental pay (of all types) includes a continuity of service test which requires the claimant to have worked continuously for the same employer for at least 26 weeks ending with the relevant week<sup>2</sup>. The consultation considered both leave and pay policy for parental leave entitlements.

During the consultation, we received representations from self-employed individuals and groups representing them, including but not limited to the respondents of the consultation.

### Policy response to Chapter One of the 2019 consultation

Government is committed to supporting labour market participation, including participation of parents. We are taking forward various measures which seek to achieve this – see [Executive Summary](#) for further details. To make legislative change, the Government was pleased to support the Neonatal Care Act, Carers' Leave Act and the Protection from Redundancy (Pregnancy and Family Leave) Act. Government continues to support the Employment Relations (Flexible Working) Bill. Once in force, these entitlements will support working families to balance their caring responsibilities whilst maintaining strong connections to the workplace.

Through the consultation and the work that has been done on the evaluation of Shared Parental Leave and Pay, we have heard that the current arrangements for parental leave and pay do not work for some parents. We have listened to what respondents and the evidence has told us but are mindful of putting additional burdens on business at this time. We are proposing a set of measures which will increase take-up and, more importantly, provide the greater flexibility that respondents were looking for, whilst also being affordable for business and taxpayers. Details of the changes that we are planning to make are set out below.

### Paternity Leave and Pay – Policy Response

Employed fathers and partners who are eligible for Paternity Leave (PL) and Statutory Paternity Pay (SPP) are currently entitled to take one or two consecutive weeks (their choice) of paid leave. SPP is currently worth up to £172.48 a week. Both the leave and pay must currently be taken in the first 8

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<sup>2</sup> The relevant week is the week immediately preceding the 14<sup>th</sup> week before the expected week of childbirth in the case of birth parents. In the case of adoptive parents, the relevant week is the week that the employee is notified of having been matched with a child for adoption. Special rules apply in the case of adoptions from overseas.

weeks following the birth of their child (or placement for adoption) and special rules apply in cases where the child is born prematurely. In our 2019 Manifesto<sup>3</sup> we committed “*to look into ways to make it easier for fathers to take Paternity Leave*”.

Respondents to the consultation tended to agree that Paternity Leave and Pay should be designed in a more flexible way so that fathers and partners could take it in a way that suits them best. **We will allow eligible fathers to take their Paternity Leave and Pay in two separate blocks of one week of leave (two weeks in total) at any point in the first year.**

64% of all respondents to the 2019 consultation said the Government should provide more flexibility and allow fathers to take their leave within one year of the birth of their child. They suggested that this would promote solo parenting by fathers. Solo parenting by fathers has been shown to have positive benefits for children, and fathers are more likely to play a greater role in caring for their children in later years<sup>4</sup>. On average mothers take 44 weeks of Maternity Leave<sup>5</sup> so most women are still at home when their partner takes their Paternity Leave (i.e., the first eight weeks after birth). **We will allow qualifying fathers to take their leave and pay at any point in the first year (i.e., within 52 weeks of birth or placement for adoption).**

Enabling fathers to take two separate blocks of one week of leave will make it easier for more fathers to make use of their paternity entitlements, whilst also balancing work commitments or financial constraints which may currently prevent them from taking two weeks of leave in one block. In a 2019 survey of parents<sup>6</sup>, 14% of fathers that did not take any statutory leave reported that they were too busy to take time off work. Giving fathers more choice and flexibility around when they take their leave will also enable them to better respond to the needs of their family. For example, fathers may want to take a week off work when their baby comes home from the hospital and a week off later when the mother is ready to return to work.

We also want to ensure that the notice requirements for Paternity Leave and Pay are proportionate to the time that the father will be off work. Currently, fathers are required to notify their employer of their leave dates 15 weeks before the expected week of childbirth. This seems excessive given that the maximum leave fathers can take is two weeks. In addition, fathers will be given the flexibility to take their leave up to a year after the birth of their child. Therefore, if we retain the current arrangements for notice, fathers could potentially be giving notice of their leave dates up to 16 months ahead of when they plan to be off work. A common ask by respondents to the 2019 consultation was that adequate notice should be given to employers so they can plan for their employee’s absence from work. **We propose that fathers-to-be give their notice of entitlement 15 weeks before birth and give 28 days’ notice before the dates that they intend to take each period of leave (and pay, where they qualify).**

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<sup>3</sup> [https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba\\_Conservative%202019%20Manifesto.pdf](https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf)

<sup>4</sup> O’Brien, M., Wall, K. (2015). ‘Fathers on Leave Alone’ in O’Brien, M., Wall, K. Comparative Perspectives on Work-Life Balance and Gender Equality, Springer Open. P.6

<sup>5</sup> Parental Rights Survey

<sup>6</sup> Parental Rights Survey

## Shared Parental Leave and Pay – Policy Response

Shared Parental Leave (SPL) and Statutory Shared Parental Pay (ShPP) were introduced in December 2014 for parents of children who were due to be born or placed for adoption from 5 April 2015. The scheme enables mothers (and adopters) to transfer maternity (and adoption) entitlements which they do not intend to use to the father or their partner/joint adopter. The scheme gives families more choice and flexibility over who cares for their child in the first year.

Up to 50 weeks of leave and up to 37 weeks of pay are potentially available for eligible parents to share. Parents can elect to take time off work together or separately so that one of them is always at home with their child in the first year. ShPP is currently worth £172.48 a week.

Respondents stated that they find the Shared Parental Leave and Pay scheme confusing and would welcome reform to make it less complex, including around eligibility rules. To address these concerns, **we have developed a tool which will make it easier for employed parents to access the scheme and help employers administer the scheme**. The tool was launched on Gov.uk in June 2021 and has three main functions: it enables prospective and new parents to check if they are eligible for SPL and ShPP, plan how they will share the leave and pay that is available between them as a couple, and plan when they will take SPL. The tool also illustrates how SPL and ShPP interacts with maternity and paternity entitlements. Employers will also be able to use the tool to check if their employee is eligible for the scheme and see when their employee plans to be off work on SPL. The tool is accessible from the 'Eligibility' and 'When you can start' pages of Gov.UK at: <https://www.gov.uk/shared-parental-leave-and-pay>.

Respondents also stated that there was low awareness of SPL among parents and employers. In promoting the new online tool on social media and encouraging stakeholders and partners to do the same, we have raised awareness of the scheme as well as the new tools. We will continue to work with interested partners to raise awareness.

**We have committed to extend the redundancy protections that currently apply to employees on Shared Parental Leave** to cover pregnancy and a period of time after the individual has returned to work. In our Government Response to the Pregnancy and Maternity Discrimination Consultation, we set out our intention for the protected period to end 18 months after birth. The Government was pleased to support the Protection from Redundancy (Pregnancy and Family Leave) Act 2023. This Act will help to ensure that employees who seek to take longer periods of time off work are not discriminated against when they return to work.

We are not proposing any changes to Shared Parental Leave or Unpaid Parental Leave at this time.

## Next steps

The changes to Paternity Leave and Pay, outlined in this document, involve amending employment law through secondary legislation which will be introduced in due course.

## Annex One – Responses to Chapter One of the 2019 consultation

We received 185 responses to Chapter One of the consultation, of which 123 were received through the online form and 62 by email. Most of the online responses were from individuals, while business representatives, trade unions and other interest groups were more likely to send in their responses by email.

The table below provides a breakdown of the different types of respondents.

Respondent type	Number of responses
Individuals	113
Large businesses	9
Small and micro businesses	2
Business representatives	8
Professional membership bodies	8
Parent representative organisations	6
Women's representative organisations	8
Trade unions	9
Academics	7
Government	7
Other	8

### Paternity Leave and Pay - Consultation Questions and Responses

In the 2019 consultation we asked respondents for views on the following questions on Paternity Leave and Pay:

### **Question 1: What emphasis should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave available?**

Most of the respondents from groups representing the interests of parents and employers said they would prefer an increase in pay. Several respondents cited a concern for low-income families not being able to access Paternity Leave at the current levels of statutory pay (£172.48). A number of respondents thought that extending Paternity Leave without increasing the rate of Statutory Paternity Pay would only benefit wealthier parents or those who work for employers who enhance statutory pay, and so may exacerbate any existing inequality. This contrasts with responses from individuals, the majority of whom said they would prioritise increasing the duration of the leave over increasing the rate of pay. Some respondents also stated that it would be better to increase both the rate of pay and the duration of leave.

### **Question 2: What impact would changing either leave or pay have on our policy objectives?**

The most common response was that this would allow fathers to be more involved in childcare and give working families more choice and flexibility as well as enabling women to have more support when recovering from birth.

### **Question 3: How should the costs of providing Paternity Leave and Pay be apportioned between government, employers, and parents?**

Most respondents thought that Government should fully fund or be responsible for most of any increase in pay, with employers paying for the rest. This reflects the current situation where 92% of the cost of Statutory Paternity Pay is met by the Government (103% in the case of businesses whose employer National Insurance Contributions are £45,000 a year or less).

### **Question 4: Could enhancing Statutory Paternity Pay and extending Paternity Leave result in differential impacts across families with different characteristics (e.g., families from different socio-economic groups or cultural backgrounds)?**

Looking at the impact a policy change would have on different socio-economic groups, the most common response was that enhancing Statutory Paternity Pay would increase take-up among lower-income groups while extending leave without also enhancing statutory pay would not.

### **Question 5: Should support vary according to family characteristics, including income levels? For example, should there be a cap on Statutory Paternity Pay for high earners?**

Respondents were split on whether there should be a cap for high earners, with around half in favour of a cap and half opposing the idea.

### **Question 6: Should the level of reimbursement for employers vary according to their size (as now)?**

On the impact on businesses, most respondents were in favour of different levels of reimbursements depending on the size of the employer. A small number of respondents suggested that the reimbursement rate for small employers (those with employer national insurance contributions of less than £45,000 a year) should be increased from 103% to 110%.

**Question 7: How might businesses that already provide enhanced Paternity Pay respond to any enhancement to Statutory Paternity Pay? For example, would they extend the period of contractual leave and pay?**

Respondents were divided between those who believed that businesses would continue to provide enhanced occupational benefits, and those who believed businesses would not improve their offer to their employees (so employers who currently enhance pay would gain from any increase in the number of weeks of Paternity Pay and/or any increase in the rate of Statutory Paternity Pay). Respondents suggested that the response to Government enhancing paternity entitlements would vary between businesses.

**Question 8: How should the timing of when Paternity Leave can be taken be balanced between giving families choice and flexibility, and incentivising particular parental behaviours? For example, should fathers/partners be able to take Paternity Leave at any point in the first year or be required to take their leave when the mother has returned to work to incentivise solo parenting?**

In response to Question 8, 64% of all respondents said the Government should provide more flexibility and allow fathers to take their leave within one year of the birth of their child. They also thought this would promote solo parenting by fathers. However, some respondents thought that Paternity Leave should be taken around the time of birth, but fathers should be given some additional non-transferable parental leave which could be taken later in the first year.

**Question 9: How should we balance giving fathers/partners flexibility and choice (e.g., to take Paternity Leave in blocks) with the needs of employers and co-workers for certainty around when the father/partner is likely to be off work on Paternity Leave?**

The most common response to Question 9 was that adequate notice should be given to employers so they can plan for their employee's absence from work. However, respondents largely agreed that fathers should be able to take their leave in blocks at any time in the first year. A number of respondents also thought that Paternity Leave should be a "day one" right and that workers and self-employed fathers should have access to some form of paternity entitlement.

## Shared Parental Leave and Pay - Consultation Questions and Responses

In the 2019 consultation, we asked respondents for views on the following questions on Shared Parental Leave and Pay:

**Question 10: What aspects of the current Shared Parental Leave and Pay scheme are most successful, and which are most in need of reform? Please give reasons for your answer.**

Respondents said they appreciated that the scheme gave parents more flexibility and promoted the role of fathers in childcare. The most stated areas for reform by businesses and groups representing parents was around the complexity of the scheme. Respondents wanted us to simplify the scheme and provide guidance. Individuals were most likely to cite the low level of pay as an issue. All groups referred to problems that arise as a result of the mother having to give up some of her maternity

entitlements in order for the family to benefit from Shared Parental Leave and Pay. Respondents suggest this is either because the mother may feel pressure to return to work too soon, or because the father cannot take the leave without the mother losing out.

### **Question 11: Should there be a dedicated pot of leave and pay for each parent within the Shared Parental Leave and Pay scheme?**

Most respondents, including employers, groups representing the interests of businesses and individuals, thought there should be a dedicated pot of leave and pay for each parent within the Shared Parental Leave and Pay scheme. They stated that this is most likely to increase take-up of the policy and change the perception of gender roles.

### **Question 12: Should mothers continue to be the ‘gatekeeper’ for the Shared Parental Leave and Pay scheme?**

Although most respondents believed that mothers should not continue to act as the ‘gatekeeper’ for the scheme, unions and parent representative groups expressed the strong view that mothers’ rights should be protected. There was a concern that, under the current arrangements, there can be pressure on mothers to give up maternity entitlements which are needed for health and safety reasons. For example, if the father has access to enhanced occupational pay, there is a financial incentive for the mother to reduce her Maternity Leave. Even so, the number of weeks of Maternity Leave that mothers are taking has, on average, increased from 39 weeks in 2009 to 44 weeks<sup>7</sup> in 2019 (see [data on maternity entitlements](#)). Individuals, when considered separately from those representing businesses, were more likely to argue that mothers should continue to be the ‘gatekeeper’, suggesting that there is a concern that mothers’ entitlements to leave and pay could be reduced if parental leave and pay entitlements were reformed. A significant proportion of respondents did not answer this question or indicated that they were ‘not sure’, which may show that there is considerable uncertainty around this issue.

### **Question 13: Should there be an element of pay enhancement in the Shared Parental Leave and Pay scheme? If so, how should the cost of any enhancement be apportioned between the government, employers and parents?**

The majority of respondents felt that Statutory Shared Parental Pay should be brought in line with Statutory Maternity Pay (which is paid at 90% of the mother’s average weekly earnings – with no upper limit – in the first six weeks of pay) and that this should be funded by Government. Many respondents indicated that Paternity Pay should also be enhanced, creating parity across all parental pay schemes. Some respondents suggested that statutory parental pay should be paid at National Living Wage rates.

Amongst respondents from businesses, there was broad support for enhancing Shared Parental Pay; however, businesses also noted that this would be an additional burden, particularly on smaller businesses.

### **Question 14: Could enhancing Statutory Shared Parental Pay and/or giving fathers access to ‘use it or lose it’ leave through the Shared Parental Leave and Pay scheme result in differential**

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<sup>7</sup> Parental Rights Survey [insert link/more info]

### **impacts across families with different characteristics (e.g., families from different socio-economic groups or cultural backgrounds)?**

Most respondents thought that enhancing pay would have a positive impact on lower earning families and that a 'use it or lose it' pot of leave might encourage more fathers to take Shared Parental Leave. However, there was some hesitation around this question with a small number of respondents stating that such changes would have to be carefully considered to avoid any unintended consequences. For example, if cultural differences mean that some families might 'lose' more leave than other families.

### **Question 15: Should support vary according to family characteristics, including income levels?**

Most respondents said that the support should be universal and should not vary. However, many thought that the support should be capped for high earners. There was a strong message from respondents that the scheme should not be made more complicated so, if support were to vary, this should be made as simple as possible.

### **Question 16: How should any enhancement to Statutory Shared Parental Pay interact with the level of statutory pay available under paternity and maternity provisions, in particular how should government prioritise the different entitlements in terms of providing enhanced pay?**

Respondents were evenly split with slightly more respondents in favour of enhancing Statutory Paternity Pay compared with those who wanted to see Shared Parental Pay match Statutory Maternity Pay. Stakeholders suggested that one policy approach would be for both parents to have a more generous, non-transferable entitlement, potentially with an additional entitlement that can be shared between them. Some respondents emphasised that there should be a distinction between Maternity/Paternity Leave and Shared Parental Leave, with the former designed to support the mother and baby around birth, and the latter to facilitate childcare.

Different respondents had different models that they proposed for this. For example, the TUC advocate 14 weeks compulsory maternity leave and 38 weeks optional maternity leave, with six weeks of compulsory paternity leave and 46 weeks of optional paternity leave. Maternity Action proposes that there should be six months maternity leave and two weeks paternity leave, with six months non-transferable parental leave that can be taken by each parent in the first 18 months from birth. Working families suggest that mothers should have 12 weeks of protected maternity leave, fathers should have two weeks of paternity leave and 12 weeks of non-transferable partner's leave to be used in the first year, and then the remaining 39 weeks of maternity leave can be transferred to the partner if they want to.

### **Question 17: How might businesses that already provide enhanced Shared Parental Pay respond to any enhancement to Statutory Shared Parental Pay? For example, would they extend the period of contractual leave and pay?**

Most respondents felt that employers who already enhance Shared Parental Pay might extend contractual leave and pay if Statutory Shared Parental Pay were enhanced but felt that this would be a decision for individual businesses and that such a decision would depend on other factors. Some stakeholders pointed out that businesses which already enhance parental pay would want to retain that advantage in attracting talented staff.

## Maternity Leave and Pay/Allowance - Consultation Questions and Responses

In the 2019 consultation we asked respondents for views on the following questions on Maternity Leave and Pay:

**Question 18: Given your views on priorities for reform of Paternity Leave or Shared Parental Leave, are there implications for maternity arrangements including:**

- a) **The length of Maternity Leave?**
- b) **The level and extent of Statutory Maternity Pay enhancements?**
- c) **The current inflexibility as to when Maternity Leave can be taken?**

Most respondents believed that any reforms made to paternity and shared parental entitlements should not be at the expense of maternity entitlements. They suggested that, as a minimum, the current entitlement to 52 weeks of Maternity Leave and 39 weeks of Statutory Maternity Pay should be preserved.

Some respondents mentioned that Statutory Maternity Pay was too low and suggested that this should be increased. One suggestion was that it should be increased to National Minimum Wage rates. Another suggestion was that the first six weeks of pay should be paid at 100% of average earnings with a further 20 weeks being paid at the lower statutory rate (currently worth up to £172.48 a week). Another respondent suggested that Statutory Maternity Pay should be paid at 100% of earnings for the first six months of pay with a cap for higher earners. Another suggestion was that the lower rate of statutory pay should be doubled and paid at the rate of c.£300 a week (or 90% of average earnings if lower). Finally, there was a suggestion that 14 weeks of pay should be paid at 90% of average earnings (presumably to match the EU which requires member states to provide 14 weeks of paid maternity leave) followed by 38 weeks of pay at a level equivalent to the Real Living Wage (which is adjusted for living costs).

Responses to **part c) of this question** were mixed, with some respondents suggesting that reforming paternity and shared parental entitlements would have implications for Maternity Leave and broadly equal numbers saying it would not. Respondents pointed out that for practical (health and safety) reasons, mothers need a single block of leave around the time they give birth for their physical recovery. Some respondents thought mothers needed more flexibility and suggested that maternity entitlements could look more like shared parental entitlements, enabling mothers to take leave more flexibly and to have a phased return to work.

## Unpaid Parental Leave - Consultation Questions and Responses

In the 2019 consultation we asked respondents for views on the following questions on Unpaid Parental Leave:

**Question 19: What aspects of the current arrangements for parental leave (which can be taken up to and including the child's 18th birthday) are most successful, and which are most in need of reform? Please give a reason for your answer.**

Respondents suggested that the most successful aspects of the policy were that it allows employees to take blocks of leave at different stages in their child's life (up to the age of 18), that it offers additional support for parents, that the leave entitlement is generous, and can be useful for taking extended time together as a family (e.g., holidays) or for emergencies. Respondents who suggested that this entitlement could be used for emergencies appeared to be unaware of the entitlement to Time off for Dependents, which enables employees to take unpaid time off work with little or no notice, including for emergencies involving childcare.

The aspects identified by respondents as most in need of reform were the level of funding (it is an unpaid leave entitlement), increasing awareness of the policy and a need for guidance. Less commonly mentioned was the lack of flexibility in how Unpaid Parental Leave can be taken and the fact employers can postpone leave. Both were seen as areas for reform.

### **Question 20: How should the government balance the length of leave for parents of older children with the level of pay in order to incentivise take up?**

Respondents noted that in order to incentivise take up, the entitlement needs to be paid. To balance the cost of this, some respondents suggested that Government should reduce the length of the entitlement.

### **Question 21: Are there any other reforms to parental leave for older children that would support the government's wider goals for parental leave policies?**

Some respondents suggested that awareness raising activities were needed, that there needs to be greater flexibility in how the leave can be taken, and that the right of employers to postpone leave was in need of review. Respondents representing the interest of parents suggested making Unpaid Parental Leave a "day one" right, with the justification that no parent would then be prevented from accessing their parental rights and associated protections.

## **Annex Two - What does the evidence that we have collected through the evaluation of Shared Parental Leave and surveys of parents and employers tell us?**

Shared Parental Leave and Pay was introduced in the Children and Families Act 2014. During the passage of this Act through Parliament, we committed to evaluate the Shared Parental Leave and Pay scheme. To inform this evaluation, we collected data on most of the current entitlements to parental leave and pay (including maternity, paternity and shared parental entitlements) from a variety of sources. The types of information that we considered included:

1. A large scale, representative, survey of over 3,000 parents (the Parental Rights Survey 2019<sup>8</sup>);
2. A large scale, representative survey of around 2,500 employers (the Management and Wellbeing Practices Survey 2019<sup>9</sup>);

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<sup>8</sup> Parental Rights Survey

<sup>9</sup> The Management and Wellbeing Practices Survey 2019.

3. A qualitative study, including 19 in-depth interviews conducted with senior managers, line managers and employees across six different workplaces, five of which employed staff who had taken up Shared Parental Leave<sup>10</sup>;
4. HM Revenue and Customs data on claims for Statutory Shared Parental Pay (from real time information provided by employers to HMRC);
5. Questions in the British Social Attitudes Survey; and
6. Evidence from stakeholders (including but not limited to views expressed at stakeholder workshops and responses to the 2019 consultation).

We have summarised the headline findings from this exercise in this section of the Government Response. **Detailed analysis and discussion of the evidence can be found in the Report on the Evaluation of Shared Parental Leave and Pay and supporting survey reports.**

### Data on paternity entitlements

There was no change between 2009 and 2019 in the take-up of paternity entitlements by eligible fathers. In 2009<sup>11</sup>, 73% of employed fathers took time off work after their child's birth, compared to 74% in 2019<sup>12</sup>. However, some fathers use other entitlements to take time off work following the birth or adoption of their child, e.g., some use their Annual Leave entitlements. The proportion of fathers taking no time off after the birth of their baby is 18 per cent compared to 9% of mothers. When fathers and partners who did not take any time off work (statutory or otherwise) following birth to twelve months later were asked why this was the case, under a third (31%) said they were not entitled, over a fifth (22%) said they could not afford to take time off and 17% said they did not know whether they were entitled to leave.

Of the one in five (18%) fathers who did not take any time off following the birth of their child, 44% were self-employed and 38% were workers. Only employees qualify for parental leave entitlements, with the exception of Maternity Allowance (a benefit which is paid by DWP). Workers can qualify for statutory parental pay if they meet the eligibility criteria, which includes a continuity of service test and a minimum earnings test.

For fathers that took no statutory leave, the most frequently mentioned reasons for not taking entitlements were that they could not afford to use them (35%), they were not entitled to statutory leave (27%), they did not know whether they were entitled (15%), they were too busy at work to take leave (14%), or they took Annual Leave instead (13%).

Three quarters (76%) of all fathers that took Paternity Leave took up their full entitlement of two weeks of leave and pay. Among the fathers that did not take their full entitlement, the most common reason given was that they could not afford to (62%). A quarter (24%) said it was because they took Annual

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<sup>10</sup> Qualitative evaluation of Shared Parental Leave and Pay scheme: Qualitative workplace case study research, 2019

<sup>11</sup> Maternity and Paternity Rights Survey 2009.

<sup>12</sup> Insert name of survey when name agreed.

Leave instead, and one in eight (12%) said that they were too busy at work. 9% of respondents said they had taken all the leave that they needed to take.

Analysis over time suggests an increase in the number of weeks taken by fathers who took any paternity leave with fewer fathers in 2019 that took seven days or less than in 2009, and a higher proportion that took more than seven days.

Across all forms of leave the amount of time taken by fathers is as follows: one fifth (22%) took 7 or more weeks off in the first year, 23% took two weeks off and 10% took a week or less. The mean number of weeks taken among all fathers was 4.8 weeks. The average number of weeks taken off work by fathers was as follows: Paternity Leave 1.7 weeks, Annual Leave 2.5 weeks, Shared Parental Leave 0.8 weeks and as Unpaid Parental Leave 0.1 weeks.

Almost six in ten (58%) of fathers received full pay from their employer throughout their Paternity Leave (i.e., their employer provided occupational pay), while around a quarter (23%) did not receive full pay at any point during their leave.

### Data on shared parental entitlements

Information collected through the British Social Attitudes Survey<sup>13</sup> suggests that an increasing majority of people believe that parental leave should be shared between the mother and the father in some form. Whilst attitudes are gradually changing, most people still believe that mothers should get more parental leave than fathers. Only one-third (34%) of respondents to the British Social Attitudes Survey supported parents having an equal division of leave; however, this is an increase of 12 percentage points from 2012. Age is one of the main factors which appears to determine attitudes towards shared parenting, with younger people being more likely than older people to support this. Over four in ten (42%) of those aged 18–34 thought parental leave should be split equally, while less than three in ten (27%) of those aged 55 (or over) took this view.

Information collected through the 2019 Maternity and Paternity Rights Survey found that one-third (33%) of mothers and almost half (45%) of fathers, who did not take Shared Parental Leave and Pay, had not heard of the scheme at the time they had their baby. However, parents that took Shared Parental Leave and Pay were more likely to say they would recommend this to other families than parents who took other forms of leave. In addition, a high proportion of parents cited no negative consequences of the leave they took (fathers were most likely to say there are none (63%), compared with 45% of mothers and 46% of parents that took SPL).

Parents were positive about the flexibility that the scheme provides in terms of balancing work and caring responsibilities. Fathers who took Shared Parental Leave were more likely to report that this entitlement allowed both parents to have a full role in caring for the child (64%) than fathers overall (39%). Encouragingly, around two in five of the parents who took Shared Parental Leave reported that it had made a difference to the division of childcare responsibilities to a 'high' or 'very high' extent.

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<sup>13</sup> Curtice, J., Clery, E., Perry, J., Phillips M. and Rahim, N. (eds.) (2019), British Social Attitudes: The 36th Report, London: The National Centre for Social Research. Accessed from: [http://www.bsa.natcen.ac.uk/media/39363/bsa\\_36.pdf](http://www.bsa.natcen.ac.uk/media/39363/bsa_36.pdf)

Affordability was the main reason parents gave for not using the scheme, including parents who took Shared Parental Leave but did not use their full entitlement. Parents who take Shared Parental Leave are also more likely to be older parents, professionals, in higher paying employment, based in London and work in the public sector. This is supported by information provided to HM Revenue and Customs in respect of claims for Statutory Shared Parental Pay.

Almost three-quarters of parents who took Shared Parental Leave (72%) reported that they had returned to the job that they had before the birth of their child and remained there. This was true for mothers and fathers who had used the scheme. This compares to half of all mothers surveyed (54%) and almost four-fifths (77%) of all fathers surveyed. Only 3% of parents who took Shared Parental Leave did not return to their previous job and remain out of work.

Evidence collected through the 2019 Management and Wellbeing Practice Survey<sup>14</sup> that employers most commonly report increased flexibility and choice that Shared Parental Leave offers parents as an advantage of the scheme. This survey confirmed that parents who use the scheme are more likely to work for a large organisation of more than 250 staff. In contrast to the first six weeks of Statutory Maternity Pay, Shared Parental Pay is not enhanced to an earnings-related rate. This survey data from 2019 found that eight per cent of workplaces, where managers were aware of Shared Parental Leave and Pay, said they would pay more than the statutory level of Shared Parental Pay. Almost three in ten (29%) did not know if they would pay more, while the remaining 63% stated that they would not. Larger organisations of more than 250 staff (22%) are more likely to offer enhanced Shared Parental Pay. Employers in Scotland (13%), East of England (12%), North-West (11%) and London (11%) were also more likely to offer enhanced pay than in other areas.

Employers with experience of staff taking Shared Parental Leave were generally happy with the scheme. Almost half (47 per cent) of workplace managers were either “very satisfied” or “satisfied”, while five per cent were “dissatisfied” and 41% were “neither satisfied nor dissatisfied”. Notably, 63% of managers in workplaces where employees had taken Shared Parental Leave in the past two years were “satisfied” or “very satisfied” with the policy.

Information provided by employers to HM Revenue and Customs in respect of claims for Statutory Shared Parental Pay (ShPP) suggests that there has been a steady increase in claims between 2014/15 and 2019/20. Most claimants were in receipt of ShPP spanning two separate months, with very few claimants claiming ShPP over a period which spanned five or more months of pay. Take up for ShPP is dominated by claimants living in London and the South-East. There has been a sharp increase in take-up in London but little growth in other areas.

### Data on maternity entitlements

Information collected through the Maternity and Paternity Rights Survey found that employed women are now taking more weeks of Maternity Leave. The average number of weeks of Maternity Leave taken has increased to 44 weeks in 2019, compared to 39 weeks in 2009<sup>15</sup>. Take up of maternity entitlements is high, with the survey finding that 4 in 5 mothers (83%) took Maternity Leave following the birth of their child. Three-quarters of mothers took 39 weeks of leave or more. It is worth noting that

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<sup>14</sup> The Management and Wellbeing Practices Survey 2019

<sup>15</sup> The Maternity and Paternity Rights Survey 2009.

employed mothers are required to take at least two weeks off work following the birth of their child, four weeks if they work in a factory. The mothers who reported that they did not take Maternity Leave are likely to be workers or self-employed individuals who do not qualify for leave (Maternity Leave is an employment right), or mothers who left their job before the birth of their child. Around 70% of mothers received Statutory Maternity Pay and 4% received Maternity Allowance (a benefit which is administered by DWP). 13% of mothers received enhanced occupational maternity pay.

### Data on Unpaid Parental Leave

Information collected through the 2020 Employee Rights and Experiences Survey found that awareness of Unpaid Parental Leave amongst employees is fairly low (61% employees generally<sup>16</sup>), with parents of children under 18 more likely to be aware of the policy – this was the same across mothers and fathers (68%). It is worth noting, however, that the fieldwork on this survey was completed at the beginning of the Covid-19 pandemic and anecdotal evidence suggests that some parents used Unpaid Parental Leave to take time off work when, e.g., schools closed. Other findings include that the uptake of Unpaid Parental Leave was relatively modest with 5% of parents of children under 18 taking unpaid parental leave within the 12 months preceding the survey. This was higher among mothers than fathers (6% compared to 3%, respectively). The majority of those who had taken unpaid parental leave in the last 12 months took up to one week off (74%), 19% took over one week and 7% were unsure of the duration. The predominant reason for taking Unpaid Parental Leave was child sickness (49% of employees reported this reason). Lack of childcare was mentioned by a further 12% of employees. Other reasons (mentioned by fewer than 1 in 10 parents) were medical appointments, maternity/paternity leave, personal events, family time and holidays.

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<sup>16</sup> The Employee Rights and Experiences Survey 2020

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