



HM Government

# Good Work Plan: Proposals to support families

Consultation

July 2019



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# Executive summary

The government's modern Industrial Strategy sets out a long-term plan to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the United Kingdom. A strong economy provides good jobs, improves living standards and pays for public services. The government is clear that we need to build on our significant economic strengths to reach our full potential as a country.

Investment in the people who contribute to the UK's success is key to boosting productivity and increasing earning power for all. Policies which enable people to find, advance, and stay in work are good for the individuals concerned; good for business; and good for the economy as a whole. A world class economy such as the UK needs to tap into the potential of everyone, so that they can work to build and support it. To do this, we need to meet and anticipate the needs of modern working families and their employers.

The UK has a strong tradition of supporting working families and the government is proud that, overall, our parental leave system is generous and flexible and achieving our policy objectives; including giving working parents the choice and flexibility they need to better balance work with the demands of starting and growing a family. But we are far from complacent and believe that more could be done to better balance the gender division of parental leave and pay between parents. Our system of support to families is broad, covering Maternity, Paternity and Shared Parental Leave, flexible working and many more ways that try to take account of the different challenges families face.

This consultation seeks views on our overall approach to parental leave and pay. It asks how we should prioritise and balance the different levels of support and how we ensure that our parental leave and pay arrangements continue to meet the needs of parents and their employers.

The consultation also seeks views on proposals to offer more support to a particular group who face distinct challenges in staying in or returning to work. It proposes new support for parents of babies requiring neonatal care through statutory Neonatal Leave and Pay. This would support this group of parents to balance employment with the challenges brought by having a baby in neonatal care.

Statutory entitlements are only one way that government can support people to manage their work-life balance and incentivise business to support these choices. It is also important that we improve the transparency of employers' flexible working and parental leave and pay policies to ensure that this information is available to job applicants, who may otherwise be reluctant to ask for this information for fear of discrimination. This consultation therefore proposes measures to enable people to make more informed decisions about job opportunities and access to the flexibilities they may need to stay in the labour market.

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# Introduction

People are at the heart of our modern Industrial Strategy. Investment in people is key to boosting productivity and increasing earning power for all. The government set out a vision for the future of the labour market and next steps for implementing recommendations from the Taylor Review of Modern Working Practices in its Good Work Plan. This is the largest upgrade to worker's rights in a generation, and we are making good progress in delivering on its commitments. The government has just announced the second phase of measures to advance the Good Work Plan, which focuses on protecting vulnerable workers.

Society's expectations of what good work looks like are changing. Policies intended to help people participate, succeed and progress in work must also reflect individuals' and families' wider aspirations and how businesses operate in the twenty-first century. Employees who feel more in control or are able to work more flexibly to manage their personal and working lives are more likely to be engaged at work. This has benefits for them, but also for their employers who can expect to see greater employee loyalty, commitment and motivation; a reduction in staff turnover and recruitment costs; lower absenteeism and increased productivity. Employers who offer more choice to employees in when and how they work are more likely to be able to recruit from a wider pool of talent within the labour market.

The UK has a range of policies that support employees to balance work and other commitments and responsibilities. These include generous and flexible leave and pay entitlements for mothers and fathers, measures to promote flexible working and entitlements to short periods of time away from work to deal with emergencies involving dependants.

## Scope of consultation

The consultation focusses on additional support for employed parents as employees do not have the same level of flexibility and autonomy over the time they take off as self-employed people do. We are not ruling out providing further support for self-employed parents in the future but, as Matthew Taylor recommended in his review of modern working practices, this needs to be carefully considered in the wider context of tax, benefits and rights over the longer term.

## Parental leave and pay entitlements

Maternity Leave and Pay were introduced to enable women to take time off work to prepare for and recover from birth and bond with their child. But its length – when compared to Paternity Leave (for fathers and partners) – can reinforce the view that the mother should be the primary carer in the early stages of their child's life. There is some evidence that fathers who spend time caring for their children in the early years are more likely to stay involved and play a greater role in caring for their children in later years.<sup>1</sup>

Shared Parental Leave now offers mothers the flexibility to transfer leave to the father and has given families much greater choice over who cares for their new child in the first year. But this kind of cultural change takes time, and evidence tells us that mothers still take on the majority

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<sup>1</sup> O'Brien, M., Wall. K, (2015) 'Fathers on leave alone: setting the scene' in O'Brien, M., Wall. K. (eds.) Comparative Perspectives on Work-Life Balance and Gender Equality, Springer Online, p. 6.

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of the childcare responsibilities.<sup>2</sup> The government is committed to giving parents equality of opportunities at home and work. The recent Gender Equality at Every Stage: A Roadmap for Change (the Gender Equality Roadmap) sets out a range of actions that the government is taking to support women's economic empowerment and close the gender pay gap. We are now seeking views on options for reforming parental leave, and the role it can play in achieving these objectives.

We recognise that parental leave is only part of the picture in achieving greater gender equality. There are other important ways in which government can help families to manage their caring responsibilities and incentivise businesses to support those choices.

## Transparency of employer work-life balance policies

Many employers already consider carefully how to offer roles that can be done flexibly. However, to help ensure this good practice is spread more widely, we are consulting on measures to encourage all employers to consider advertising all jobs as flexible from the outset. We are also consulting on a requirement for employers to make public their parental leave policies. This would help ensure that job applicants can make informed choices and eliminates concerns around asking about employer policies which could discourage employees from applying to a wide range of jobs.

## Neonatal Leave and Pay

An internal review by the Department for Business, Energy and Industrial Strategy highlighted that parents of premature, sick and multiple babies can experience significant challenges, particularly in cases where their baby or babies need neonatal care for a number of weeks or months. Evidence gathered so far suggests that current leave and pay entitlements do not adequately support parents in these circumstances. In response, the government is seeking views on a proposed new entitlement to Neonatal Leave and Pay for parents of babies who require neonatal care following birth. **See [Annex 2](#) for more information on BEIS' review of provisions for parents of premature, sick and multiple babies.**

## Structure of the consultation

[Chapter 1](#) of this consultation document explores the high-level options for reforming parental leave and pay, and seeks views on the benefits, costs and trade-offs.

[Chapter 2](#) sets out our proposals for new entitlements for parents of babies who require neonatal care.

[Chapter 3](#) considers new measures to increase transparency of the employer offer on flexible working and family-related leave and pay.

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<sup>2</sup> ONS, (2016) Women shoulder the responsibility of 'unpaid work' [online]. Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/womenshouldtheresponsibilityofunpaidwork/2016-11-10](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/womenshouldtheresponsibilityofunpaidwork/2016-11-10)

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# General information

## Why we are consulting

The government is committed to raising standards in the labour market and increasing productivity and earnings power for all. We are also committed to promoting gender equality and supporting women to participate and progress in the workforce. Responses to this consultation will enable us to better understand:

- The costs and benefits of different options for reforming parental leave in order to achieve greater equality in parenting and at work.
- How new leave and pay entitlements can support parents of sick and premature babies.
- Whether large employers (with more than 250 employees) should be required to publish their family-related leave and pay policies, and how that requirement could be designed.
- Whether employers should make clear when advertising a vacancy whether flexible working might be available, and how that requirement could be designed.

## Consultation details

**Issued:** 19 July 2019

**Respond by:**

- Chapter 1 (Parental leave and pay) – **29 November 2019**
- Chapters 2 (Neonatal Leave and Pay) & 3 (Transparency) – **11 October 2019**

**Enquiries to:**

Labour Market Directorate  
Department for Business, Energy and Industrial Strategy  
1st Floor, Spur  
1 Victoria Street  
London  
SW1H 0ET

Email: [supportingfamiliesconsultation@beis.gov.uk](mailto:supportingfamiliesconsultation@beis.gov.uk)

**Consultation reference:**

Good Work Plan: Proposals to support families

**Audiences:**

Employers and employees, business representative groups, Unions and those representing the interests of groups in the labour market – particularly parents.

**Territorial extent:**

This applies across Great Britain.



## How to respond

### Respond online:

- Overview  
<https://beisgovuk.citizenspace.com/lm/proposals-to-support-families>
- Parental Leave and Pay  
<https://beisgovuk.citizenspace.com/lm/9e55319a>
- Neonatal Leave and Pay  
<https://beisgovuk.citizenspace.com/lm/3b432f0a>
- Transparency: Flexible working and family-related leave and pay policies  
<https://beisgovuk.citizenspace.com/lm/daa0d612>

or

**Email to:** [supportingfamiliesconsultation@beis.gov.uk](mailto:supportingfamiliesconsultation@beis.gov.uk)

### Write to:

Families Consultation  
Labour Market Directorate  
Department for Business, Energy and Industrial Strategy  
1st Floor, Spur  
1 Victoria Street  
London  
SW1H 0ET

Response forms are available on the GOV.UK consultation page:  
[www.gov.uk/government/consultations/good-work-plan-proposals-to-support-families](http://www.gov.uk/government/consultations/good-work-plan-proposals-to-support-families)

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will most useful it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

## Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable UK and EU data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

## Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: [beis.bru@beis.gov.uk](mailto:beis.bru@beis.gov.uk).

# 1. Parental leave and pay: Supporting parents and achieving equality

*This chapter explores the objectives of parental leave and pay; how government policy supports parents and employers; the factors which enable parents to combine work and childcare and the impact of each of these factors; and looks at high level options for reforming parental leave and pay.*

Please respond to the questions in this chapter by **29 November 2019**.

We will consider these responses in tandem with the evidence collected through the evaluation of Shared Parental Leave and Pay.

## Introduction

The UK has a long tradition of supporting working families. For nearly 20 years, fathers and partners have enjoyed paternity entitlements which enable them to take time off work when their children are born or placed with their family for adoption. Our maternity entitlements for mothers have their roots in the 1970s and go further than the EU minimum in terms of the number of weeks of leave and pay that are provided.

Children need time, care and attention in order to develop and flourish. This is true throughout their childhood, but the early years are particularly important as they lay the foundations that will be built on throughout the child's life. The role of parents in caring for and educating their children in these early years should not be underestimated and we want to give working parents the choice and flexibility they need to combine work with family life. Supporting working parents to combine work with childcare not only helps individual parents, it also helps the people that they work for: employers have access to a wider pool of talent and are better able to cultivate and retain that talent.

This matters for the wider economy too. People are at the heart of our modern Industrial Strategy and the government is clear that everyone should have the opportunity to work, succeed at work, and reach their full potential. Boosting labour market participation among underrepresented groups such as women, and particularly mothers, supports economic growth and helps narrow the employment and gender pay gaps.<sup>3</sup>

We have significantly improved female participation rates. At 72% (2019), the female employment rate is the highest we have seen since comparable records began in 1971 (52.8%) and is up by over three percentage points since April 2015. This has been achieved through a variety of means, for example the introduction of family-related leave and pay and 30 hours of free childcare for eligible parents.<sup>4</sup> The introduction of gender pay gap reporting for

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<sup>3</sup> OECD, (2012). Closing the Gender Gap: Act Now [online], Organisation for Economic Cooperation and Development. Available at: <https://doi.org/10.1787/9789264179370-en>

<sup>4</sup> GOV.UK, [undated] 30 hours free childcare. Available at [www.gov.uk/30-hours-free-childcare](http://www.gov.uk/30-hours-free-childcare) [Accessed 10 July 2019]

large employers has also encouraged companies to examine their own policies and practices and begin to address inequalities within their own organisation.<sup>5</sup>

But there is more work to be done to support female participation and to close the employment and gender pay gaps. We need to do more to tackle gender inequality at home and in wider society. The introduction of Shared Parental Leave and Pay in 2015 was a significant step forward in terms of challenging gender stereotypes around the roles of men and women at home and at work. The scheme enables eligible working parents to share and structure responsibility for childcare in the first year of their child's life in a way that is best for them and their family. As we expected when we launched the scheme, cultural change takes time and we are only seeing gradual increases in parents taking Shared Parental Leave and Pay.<sup>6</sup> The introduction of the scheme has, however, helped take forward a national discussion about the role of fathers in the early years of their children's lives. We want to make it easier for fathers who want to be involved in early childcare to do so.

We are currently evaluating the Shared Parental Leave and Pay scheme and expect to report on this later in the year.<sup>7</sup> In tandem with this, we are keen to use this consultation to explore options for enabling more women to combine having a family with pursuing their career and enabling more men to play a greater part in childcare.

## Parental leave and pay arrangements in the UK

Employed pregnant women and new mothers are currently able to take up to 52 weeks of Maternity Leave (this is a 'day one' right) and up to 39 weeks of Statutory Maternity Pay (SMP) or Maternity Allowance (MA). The first six weeks of SMP are paid at an enhanced rate, and pregnant women and new mothers receive 90% of their average weekly earnings (with no upper limit) during this period. The remaining 33 weeks of SMP are worth up to £148.68 a week (2019/20). Information obtained from the Work-Life Balance Survey series suggests that in 2013, 13% of employers enhanced SMP to a level above the statutory rate of pay for part of the Maternity Pay period.<sup>8</sup> MA is a benefit paid to working mothers (including self-employed mothers) who do not qualify for SMP. It is paid for up to 39 weeks and is worth up to £148.68 a week.

Employees who are planning to adopt a child, including individuals who are fostering a child or children with a view to adopting them, enjoy broadly the same rights as employed mothers: Adoption Leave is a 'day one' right and Statutory Adoption Pay is paid at the same rate as SMP.

Employed fathers and partners (including same sex partners) who are eligible for Paternity Leave (PL) and Statutory Paternity Pay (SPP) are entitled to take one or two weeks (their choice) of paid leave. SPP is worth up to £148.68 a week and fathers and partners do not currently have any entitlement to a period of enhanced pay. Information collected in 2013,

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<sup>5</sup> The regulations requiring large employers (those with more than 250 employees) to publish data on their gender pay gaps came into effect on 6th April 2017, with the first reports being due in April 2018.

<sup>6</sup> The government does not routinely collect data on the take-up of family-related leave but claims for Statutory Shared Parental Pay give us an approximate idea of the likely level of take-up for Shared Parental Leave. This does not give us the full picture as parents can take unpaid as well as paid leave. We are currently evaluating the scheme and expect to be in a position to report on this (including on the level of take-up for leave) later in 2019.

<sup>7</sup> Subject to data collection progressing as planned.

<sup>8</sup> BIS (2013) 4th Work-life Balance employer survey [online]. Department for Business, Innovation and Skills, Available at [www.gov.uk/government/publications/fourth-work-life-balance-employer-survey-2013](http://www.gov.uk/government/publications/fourth-work-life-balance-employer-survey-2013) [accessed 10 July 2019]

suggests that 17% of employers enhance SPP whereas a higher proportion, 27%, provide more weeks of Paternity Leave than the statutory minimum.<sup>9</sup>

Shared Parental Leave (SPL) and Statutory Shared Parental Pay (ShPP) were introduced in 2015 to give eligible working parents more choice and flexibility around which of them cares for their children in the first year and when they do this. Up to 50 weeks of SPL and up to 37 weeks of ShPP can be 'created' from maternity entitlements that the mother does not intend to use. The same principle applies to individuals who qualify for adoption entitlements.<sup>10</sup> Parents who are eligible for SPL and ShPP can be off work together for up to six months or take time off work sequentially (i.e. stagger their leave and pay so that one of them is always at home with their child in the first year). ShPP is worth up to £148.68 a week.

Employed parents also have access to 18 weeks of unpaid parental leave<sup>11</sup> which can be taken in the first year of their child's life or subsequently. This is the only entitlement to family-related leave that is not restricted to the first year. Up to four weeks of parental leave can be taken in any year. The entitlement is per parent, per child and applies to children up to and including the day of their 18th birthday. Employers may, in certain circumstances, be able to defer a request for leave for business reasons.

## Policy objectives of parental leave and pay

Parental leave and pay policies give employed parents a right to time off work in the first year and subsequently. 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 on parental leave. Together, these rights and protections are intended to:

- Enable women to prepare for and recover from birth;
- Facilitate women returning to work and staying in work (i.e. boost female participation in the labour market);
- Give working families more choice and flexibility;
- Increase paternal involvement in childcare;
- Close the employment and gender pay gaps;
- Prevent pregnancy and maternity discrimination;
- Prevent discrimination against parents who take or seek to take parental leave; and
- Minimise the burdens on business.

Further information on the policy objectives of parental leave and pay in Great Britain is at [Annex 1](#).

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<sup>9</sup> BIS (2013) 4th Work-life Balance employer survey [online]. Department for Business, Innovation and Skills, Available at [www.gov.uk/government/publications/fourth-work-life-balance-employer-survey-2013](http://www.gov.uk/government/publications/fourth-work-life-balance-employer-survey-2013) [accessed 10 July 2019]

<sup>10</sup> Prospective adopters and qualifying intended parents in a surrogacy arrangement.

<sup>11</sup> Referred to elsewhere in this document as 'parental leave taken in respect of older children'.

As set out in our modern Industrial Strategy, Good Work Plan and recent Gender Equality Roadmap, the government is committed to increasing earning power and employment opportunities for all and to closing the gender pay gap.

The OECD note that fathers' equal participation in caregiving is vital to ensuring that mothers can remain – and advance – in the labour market.<sup>12</sup> Evidence also suggests that fathers who take parental leave have greater satisfaction in parenting.<sup>13</sup> Fathers who are more involved with their children also report greater life satisfaction and better psychological well-being.<sup>14</sup>

It is also assumed that the social normalisation of parental leave-taking by fathers may help reduce gender discrimination in the workplace. Increasing the time that fathers take off work for childcare has the potential to reduce the negative effects (on participation, earnings and career advancement) that women experience as a result of taking time off work to care for their children, particularly where they would otherwise be their child's solo or primary carer.<sup>15</sup>

Whilst the international evidence suggests that paid parental leave can help keep women in work, the impact of paid parental leave on women's wages is mixed.<sup>16</sup> Evidence from Sweden suggests that tackling gender inequality and closing the gender pay gap is not as straightforward as individual countries' parental leave and pay policies may suggest. More than 40 years after the introduction of parental leave in Sweden, fathers only take around a quarter of the total parental leave days that are provided and the gender pay gap in Sweden is around 12%.

The evidence also suggests that paid maternity and parental leave entitlements have mixed effects on women's wages and there is no overwhelming link between Paternity Leave and changes in the gender wage gap.<sup>17</sup> There is, however, some evidence that fathers who spend time solo parenting are more likely to play a greater role in caring for their children in later years.<sup>18</sup>

Parental leave and pay policies can also give parents equality of access to opportunities at home as well as at work. In this respect we are 'lagging behind' some countries in terms of our policy aspirations and objectives. Some countries which give parents access to time off work on more equal terms see giving parents the opportunity to spend time with children as an objective in itself – not simply something which can have a positive impact in other areas, e.g.

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<sup>12</sup> OECD (2017). The pursuit of gender equality: an uphill battle [online], Organisation for Economic Cooperation and Development. Available at <https://doi.org/10.1787/9789264281318-en>

<sup>13</sup> Haas, L. Hwang, P.C. (2008). 'The Impact of Taking Parental Leave on Fathers' Participation In Childcare And Relationships With Children: Lessons from Sweden'. Community, Work & Family, Vol.11 (1).

<sup>14</sup> Craig, L. and Sawrikar, P. (2009). Work and Family: How Does the (Gender) Balance Change as Children Grow?. Gender, Work & Organization. 16. 684 – 709 and Schindler, H. S. (2010). The Importance of Parenting and Financial Contributions in Promoting Fathers' Psychological Health, Journal of Marriage and Family, vol. 72(2), p. 318-332

<sup>15</sup> Rønsen and Kitterød, (2015) in OECD (2017). The Pursuit of Gender Equality: An Uphill Battle, OECD Publishing, Paris. Available at: (pp. 203) [https://www.oecd-ilibrary.org/social-issues-migration-health/the-pursuit-of-gender-equality\\_9789264281318-en](https://www.oecd-ilibrary.org/social-issues-migration-health/the-pursuit-of-gender-equality_9789264281318-en) (p. 203)

<sup>16</sup> OECD (2015) Paid Parental Leave: Lessons from OECD Countries and Selected U.S. States, OECD pp. 101-104. Available: [www.oecd-ilibrary.org/social-issues-migration-health/paid-parental-leave\\_5jrggvqqb4vb-en](http://www.oecd-ilibrary.org/social-issues-migration-health/paid-parental-leave_5jrggvqqb4vb-en)

<sup>17</sup> Andersen, H. (2018) Paternity Leave and the Motherhood Penalty: New Causal Evidence, Journal of Marriage and Family, vol 80(5). Available at: <https://doi.org/10.1111/jomf.12507>

<sup>18</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.

improving labour market outcomes for women. In doing this they signal that caring for children is the responsibility of both parents, not just mothers.

In Iceland, the policy objectives of parental leave and pay are firstly to enable parents to spend time with their child, and secondly to enable parents to better balance work and childcare.

## How do parental leave and pay policies support employers?

In addition to the benefits that employers derive from having access to a bigger pool of talent, employers who support their employees to combine work with caring for their family see other benefits across their business. Employees who have a better work-life balance are more likely to enjoy better health and well-being. This in turn means that they are more likely to view their employer positively and that their employer is more likely to see increased staff loyalty; a reduction in staff turnover; increased motivation; and lower absenteeism rates.<sup>19</sup> Moreover, employers who embrace family-friendly policies are also likely to be viewed positively by people who are considering working for them; people who do business with them; and people who are consumers of their goods and services.

## Why are we focussing on parental leave and pay policies?

This chapter focusses on parental leave and pay policies because they underline the importance of parents' role in educating and caring for their children in the early years. They also signal to wider society that working parents are valued and have an important role to play in the workplace. Policies which enable fathers, as well as mothers, to take time off work for childcare reasons can help to overcome the gender stereotypes which prevent some mothers from working and some fathers from taking time off work to care for their children. They also highlight the importance of fathers, as well as mothers, bonding with their children.

Reforming parental leave and pay entitlements would not in itself deliver all the goals that these policies aim to support. These entitlements work in conjunction with other government policies to achieve these over-arching goals, for example closing the gender pay gap.

Other factors that have an influence on parental behaviour include the availability and prevalence of flexible working in organisations; employers' willingness to offer contractual (enhanced) parental pay; and the availability of childcare (including informal arrangements). In Great Britain, the government has, for example:

- Extended flexible working to all employees with 26 weeks' continuous service;
- Provided up to 30 hours of free childcare a week for working parents of three- and four-year-olds across England;
- Announced funding for returner programmes in the public and private sectors which help parents and carers who want to return to work after taking time out from employment due to caring responsibilities;

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<sup>19</sup> Smeaton, D., Ray, K., Knight, G. (2014) Costs and Benefits to Business of Adopting Work Life Balance Working Practices: A Literature Review [online], Department for Business, Innovation and Skills. Available: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/323290/bis-14-903-costs-and-benefits-to-business-of-adopting-work-life-balance-working-practices-a-literature-review.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323290/bis-14-903-costs-and-benefits-to-business-of-adopting-work-life-balance-working-practices-a-literature-review.pdf)

- Supported the business-led, independent Lord Davies Review on women on boards, which exceeded the government's target of having 25% female directors on FTSE 100 boards;
- Supported the Hampton-Alexander Review, which follows the Davies Review and aims to go even further to increase women's representation at the top of FTSE 350 companies by 2020; and
- Set a target to increase the number of female entrepreneurs by half by 2030, in response to the Rose Review into female entrepreneurship.

OECD evidence suggests that affordable quality childcare is the main driver in achieving better female labour market participation outcomes; and that parental leave policies can help support this.<sup>20</sup> The analysis suggests that policies to foster greater enrolment in formal childcare have a small but significant effect on full-time and part-time labour force participation – and these effects are much more robust than the effects of paid leave or other family benefits.

The evidence suggests a positive correlation between the provision of childcare services for parents of children under three years olds and female participation in the labour market (full-time and part-time employment).

## Other factors which influence the take-up of parental entitlements

When considering the impact of parental leave and pay policies and their effects on working parents' behaviour it is important to recognise that other, external, factors may influence the demand for and take-up of paid parental leave.

Numerous studies show that gender identity as well as attitudes towards gender roles are strongly determined by one's parents and peers.<sup>21</sup> Cultural norms and workplace culture can also influence attitudes to shared parenting. Furthermore, the division of labour by gender persists in many families: men are most often the main earner and women the main carer.

However, opinions towards working mothers have become more positive – particularly in countries where the government has increased support for parents seeking to combine work and family commitments. Men, especially those who are highly educated, are increasingly involved in parenting.<sup>22</sup>

## Parental leave factors which support parents to combine work with childcare responsibilities

International evidence suggests there are a range of variables within countries' parental leave and pay policies which could potentially be leveraged to encourage parents to share work and childcare responsibilities more equally.

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<sup>20</sup> Thévenon, O. (2013), "Drivers of Female Labour Force Participation in the OECD", OECD Social, Employment and Migration Working Papers, No. 145, OECD Publishing, Paris.

<sup>21</sup> Farré, L. and Vella, F. (2013). The intergenerational transmission of gender role attitudes and its implications for female labor force participation, *Economica*, vol. 80(318) p.219-247.

<sup>22</sup> OECD (2017). Socio-demographic change and gender roles in The Pursuit of Gender Equality: An Uphill Battle, OECD Publishing, Paris. Available at: (pp. 203) [www.oecd-ilibrary.org/social-issues-migration-health/the-pursuit-of-gender-equality\\_9789264281318-en](http://www.oecd-ilibrary.org/social-issues-migration-health/the-pursuit-of-gender-equality_9789264281318-en)



In any parental leave scheme, the basic variables are:

- The length of leave and when it can be taken (e.g. only in the first year or over the lifetime of the child);
- The rate of pay (which can vary over the leave period);
- Whether leave is transferrable between parents or given on a ‘use it or lose it’ basis;
- Whether the parental leave can be taken flexibly (e.g. in days or half-days; in blocks separated by periods at work; and whether it can be stopped and re-started);
- Who the leave and pay applies to (e.g. just employees or all working parents); and
- Whether parents can take time off work together, sequentially or both.

*The length of leave and when it can be taken*

Evidence from international studies suggests that policies aimed at increasing fathers’ take-up of leave and pay in the first year can have a positive impact on the gender division of childcare and domestic work, at least in the short-term.<sup>23</sup> This has been particularly observed in studies involving fathers who took longer periods of parental leave and/or took solo periods of parental leave after the mother had returned to work.<sup>24</sup>

Of the countries in the OECD, the UK offers employed pregnant women and new mothers the longest period of dedicated Maternity Leave but our dedicated offer for fathers is among the lowest.



<sup>23</sup> Tamm, M. (2018), Fathers’ Parental Leave -Taking, Childcare Involvement and Mothers’ Labour Market Participation, IZA – Institute for Labour Economics, Germany

<sup>24</sup> Bünning, M. (2015), What happens after the ‘daddy months’? Fathers’ involvement in paid work, childcare, and housework after taking parental leave in Germany, European Sociological Review, vol. 31, Iss.6, pp. 738-748

From a 2009/10 survey of parents, the average number of weeks of Maternity Leave taken by mothers at that time was 39 weeks.<sup>25</sup>

Except for unpaid parental leave<sup>26</sup> - which is available to parents of all children up to and including the date of their child's 18th birthday - entitlements to parental leave and pay in Great Britain must be taken in the first year.

In Sweden, each parent is entitled to 240 days paid parental leave which can be taken in the first 18 months after birth.<sup>27</sup> Leave and pay which the parents do not take in the first 18 months can be taken before their child reaches the age of 8 (children born before 2014) or 12 (children born after 2014) but the number of days that can be taken after the child's 4th birthday is capped at 96 days.

### *The rate of pay*

Where the UK does enhance pay, as part of Statutory Maternity Pay entitlements, the rate of pay provided is high by international standards – at 90% of the mother's average earnings (with no upper limit) – but is provided for a shorter period of time. Whilst more weeks of enhanced pay are provided in some other countries, the rate of enhancement is not as generous as that in the UK.

In some European countries, such as Norway, Iceland and Sweden, evidence shows that where parental leave entitlements are well paid – e.g. at c. 80% of salary – take-up rates are very high. In fact, the rate of pay has been shown to have the strongest effect on uptake of parental leave entitlements.<sup>28</sup> Evidence presented to the Women and Equalities Select Committee (WESC) in respect of their inquiry into fathers in the workplace shows that the rate of pay is a significant determinant for take-up of parental leave in the UK.<sup>29</sup>

Some contributors to WESC's inquiry suggested that the rate of Statutory Paternity Pay acts as a barrier to take up for low-income fathers, who are half as likely as better paid fathers to take Paternity Leave and Pay and far less likely to receive wage 'top ups' (i.e. contractual paternity pay) from their employers.<sup>30</sup> This is consistent with information provided by employers to HM Revenue and Customs, which suggests that high earning, professional employees are more likely to take paid Shared Parental Leave than low earners.

In Sweden, mothers are required to take two weeks off work before and/or after the birth of their child and can use part of the paid parental insurance benefit during this period if they wish. Fathers can take 10 days paid leave within 60 days of their child returning

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<sup>25</sup> Department for Work and Pensions, (2011). Maternity and Paternity Rights and Women Returners Survey 2009/10 [online]. Available at: [www.gov.uk/government/publications/maternity-and-paternity-rights-and-women-returners-survey-200910-rr777](http://www.gov.uk/government/publications/maternity-and-paternity-rights-and-women-returners-survey-200910-rr777)

<sup>26</sup> Referred to elsewhere in this document as parental leave for parents of older children.

<sup>27</sup> Duvander, A.-Z., and Haas, L., (2018) 'Sweden country note' in Blum, S., Koslowski, A., Macht, A. and Moss, P. (eds.) International Review of Leave Policies and Research 2018 [online]. Available at: [www.leavenetwork.org/fileadmin/user\\_upload/k\\_leavenetwork/country\\_notes/2018/FINAL\\_Sweden2018.pdf](http://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/country_notes/2018/FINAL_Sweden2018.pdf)

<sup>28</sup> OECD (2015) Paid Parental Leave: Lessons from OECD Countries and Selected U.S. States, OECD pp. 78. Available: [www.oecd-ilibrary.org/social-issues-migration-health/paid-parental-leave\\_5jrqqvqqb4vb-en](http://www.oecd-ilibrary.org/social-issues-migration-health/paid-parental-leave_5jrqqvqqb4vb-en)

<sup>29</sup> WESC (2018), Fathers and the workplace [online], Women and Equalities Committee, House of Commons. Available at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmwomeq/358/358.pdf>

<sup>30</sup> WESC (2018), Fathers and the workplace [online], Women and Equalities Committee, House of Commons. Available at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmwomeq/358/358.pdf>

home from hospital. The rate of pay is around 80% of their salary, up to a ceiling of 341,184 Swedish Krona<sup>31</sup>, equivalent to around £29,000 per year.<sup>32</sup> Funding for this comes from statutory contributions from employers and self-employed; both pay 2.6 per cent on all earnings towards 'parental insurance'. In contrast, employed fathers and partners in Great Britain can claim one or two weeks of Statutory Paternity Pay, which is worth up to £148.68 a week.

In Sweden, each parent is also entitled to 240 days paid parental leave: 195 days are paid at almost 80% earnings (up to the same ceiling as above) and the remaining 45 days are paid at a flat rate (180 Swedish Krona a day<sup>33</sup>, equivalent to around £15 per day<sup>34</sup>). Parents who are eligible for Statutory Shared Parental Pay (ShPP) in Great Britain can claim up to 37 weeks of ShPP (also worth up to £148.68 a week) but any weeks of Statutory Maternity Pay or ShPP claimed by the mother will reduce the number of weeks of ShPP that are available to the father.

Whilst the rate of pay has been shown to be the largest determiner of take-up of parental leave by fathers in some countries, increasing the rate of pay has had less impact in other countries. In Japan, for example, a 2016 survey indicated that only three percent of male workers whose partner had given birth in 2014/15 had applied for parental leave, despite the introduction of generous entitlements to leave and pay.<sup>35</sup> This suggests that other factors, such as cultural expectations around the roles of women and men, influence the take-up rate for parental leave and pay by fathers.

In Japan, Maternity Leave is available for 14 weeks. Out of the 14 weeks, six weeks are available before the birth and eight weeks after birth (six of which are obligatory). Parental leave is available to each parent for 12 months and can be taken until their child is 12 months old (it can be extended to 14 months in some cases). The leave is paid at 67% of earnings for the first 180 days, up to a maximum of 447,300 Japanese Yen<sup>36</sup> per month (equivalent to around £3,000 per month<sup>37</sup>) and the remainder at 50% of earnings per month. This is one of the most generous entitlements available to fathers of all OECD countries. A parent must generally take leave in one consecutive period (fathers who take some leave during the first eight weeks can take another period of leave after returning from work) and both parents can take leave at the same time. The scheme is funded from Japan's Employment Insurance system; employers contribute 0.85%; employees contribute 0.5% (different rates apply to specific industries) and 4.4% of benefit payments subsidised by the State.

<sup>31</sup> Duvander, A.-Z., and Haas, L., (2018) 'Sweden country note' in Blum, S., Koslowski, A., Macht, A. and Moss, P. (eds.) International Review of Leave Policies and Research 2018 [online]. Available at:

[www.leavenetwork.org/fileadmin/user\\_upload/k\\_leavenetwork/country\\_notes/2018/FINAL\\_Sweden2018.pdf](http://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/country_notes/2018/FINAL_Sweden2018.pdf)

<sup>32</sup> Conversion of currency undertaken on 10 July 2019, using: <http://finance.yahoo.com/currency-converter>

<sup>33</sup> Duvander, A.-Z., and Haas, L., (2018) 'Sweden country note' in Blum, S., Koslowski, A., Macht, A. and Moss, P. (eds.) International Review of Leave Policies and Research 2018 [online]. Available at:

[www.leavenetwork.org/fileadmin/user\\_upload/k\\_leavenetwork/country\\_notes/2018/FINAL\\_Sweden2018.pdf](http://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/country_notes/2018/FINAL_Sweden2018.pdf)

<sup>34</sup> Conversion of currency undertaken on 10 July 2019, using: <http://finance.yahoo.com/currency-converter>

<sup>35</sup> Nakazato, H., Nishimura, J. and Takezawa, J. (2018) 'Japan country note', in Blum, S., Koslowski, A., Macht, A. and Moss, P. (eds.) International Review of Leave Policies and Research 2018. Available at:

[www.leavenetwork.org/fileadmin/user\\_upload/k\\_leavenetwork/country\\_notes/2018/FINAL\\_Japan2018.pdf](http://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/country_notes/2018/FINAL_Japan2018.pdf)

<sup>36</sup> Nakazato, H., Nishimura, J. and Takezawa, J. (2018) 'Japan country note', in Blum, S., Koslowski, A., Macht, A. and Moss, P. (eds.) International Review of Leave Policies and Research 2018. Available at:

[www.leavenetwork.org/fileadmin/user\\_upload/k\\_leavenetwork/country\\_notes/2018/FINAL\\_Japan2018.pdf](http://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/country_notes/2018/FINAL_Japan2018.pdf)

<sup>37</sup> Conversion of currency undertaken on 10 July 2019, using: <http://finance.yahoo.com/currency-converter>

### *'Use it or lose it' leave and pay*

Giving fathers access to a dedicated 'pot' of leave and pay on an individual, non-transferable basis (i.e. 'use it or lose it' leave and pay) has been shown to have a direct impact on the number of weeks of parental leave that fathers take.<sup>38</sup> However, the OECD are unclear about the impact on labour market participation of reserving leave and pay for a particular parent. Whilst they say that reserving part of any shared leave and making it exclusively available to fathers would ensure a better balance in parental leave, they point out that this could reduce labour supply since women tend to work shorter hours than men do.<sup>39</sup>

### *Whether the parental leave can be taken flexibly*

Enabling parents to take their leave in blocks can also support parents to match the amount and timing of any parental leave they take to their family's particular circumstances. There may also be benefits to enabling parents to intersperse periods of leave with periods of work, for example: parents can practise transferring caring responsibilities between them; and can retain a closer connection to work.

The units in which parental leave can be taken (i.e. days, weeks, etc.) may also have an impact on what the leave is used for – with smaller units lending themselves to more 'ad hoc' caring; and larger units enabling more engagement in child-care and supporting the establishment of caring routines. However, the greater level of flexibility afforded in the system, such as those that allow parents in the UK to take Shared Parental Leave and Pay in blocks, the greater risk of increased business costs and creating complexity (in terms of introducing rules around when and how parental leave can be taken). For example, an employee may change the dates of leave which may require an employer to re-organise work and/or update payroll at short notice.

### *Who the leave and pay applies to*

In contrast to many European countries, parental leave and pay in Great Britain is allocated to individual parents rather than to the family as a unit. The exception to this is the Shared Parental Leave and Pay scheme which is only available to working couples.

In Iceland there is no concept of 'maternity' or 'paternity' leave.<sup>40</sup> A three month quota of non-transferable ('use it or lose it') leave is given to the mother to be taken within a 24-month period. One month may be taken before birth and the remaining two months must be taken after birth (mothers are obliged to take two weeks off work immediately following the birth of their child). A similar period of three months is reserved for fathers/partners – except there is no obligatory period during which leave must be taken (i.e. they are not required to take two weeks off work after birth). In addition, parents have a shared right to another three months' leave which they can split between them as they wish.

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<sup>38</sup> The 7 countries with the highest male shares of parental leave users all have father-specific entitlements to paid leave – taken from OECD (2016) Background brief on fathers' leave and its use. Taken from: OECD, (2016). Background brief on fathers' leave and its use, OECD [online]. Available: [www.oecd.org/els/family/Background-fathers-use-of-leave.pdf](http://www.oecd.org/els/family/Background-fathers-use-of-leave.pdf)

<sup>39</sup> OECD (2019). [online]. Available at: [https://www.oecd-ilibrary.org/oecd-economic-surveys-denmark-2019\\_5j8fxbvbwms1.pdf?itemId=%2Fcontent%2Fpublication%2Feco\\_surveys-dnk-2019-en&mimeType=pdf](https://www.oecd-ilibrary.org/oecd-economic-surveys-denmark-2019_5j8fxbvbwms1.pdf?itemId=%2Fcontent%2Fpublication%2Feco_surveys-dnk-2019-en&mimeType=pdf), p. 56

<sup>40</sup> Eydal, G.B. and Gíslason, I.V. (2018) 'Iceland country note', in Blum, S., Koslowski, A., Macht, A. and Moss, P. (eds.) International Review of Leave Policies and Research 2018. Available at: [www.leavenetwork.org/lp\\_and\\_r\\_reports/](http://www.leavenetwork.org/lp_and_r_reports/)

Leave can be taken in one continuous block or several blocks. Parents can also take leave together, or one parent can take solo leave for the whole period.

Pay is set at 80% of earnings up to a ceiling of 520,000 Icelandic Krona per month (equivalent to around £3,000 per month<sup>41</sup>) and this is funded through a Maternity / Paternity fund which is financed from an insurance levy of 5.4% on wages which is deducted from wages and paid by employers. 0.65% of the revenue collected from this levy goes towards funding parental pay.

### *Whether parents can take time off together, sequentially, or both*

Enabling parents to take time off work together could facilitate shared parenting and support both parents to bond with their child. Many international examples provide for parents to be able to take leave concurrently, including the UK's Shared Parental Leave and Pay scheme which enables parents to be off work for six months together, if they wish.

Alternative parental policy designs may seek to encourage fathers and partners in particular to undertake a period of 'solo caring', as well as or instead of a period of shared parenting. Some international evidence has linked a prolonged period of solo leave taken by fathers and partners in the first year to sustained impacts on the sharing of caring responsibilities between parents beyond the first year.<sup>42</sup>

### *The longer-term impacts of parental leave and pay policies*

While the international evidence suggests that generously-paid leave for fathers made available on a 'use it or lose it' basis results in higher take-up of leave, it is difficult to know whether the availability of the leave and pay in itself leads to longer-term changes in parenting practices. Fathers who take parental leave and pay may simply be more engaged with family life and more likely to be involved in caring for their children.

Evidence from the London School of Economics (LSE) suggests that the impact of parental leave and pay policies on female labour market outcomes is negligible or at best weakly positive. The LSE suggests that stronger evidence for closing the gender pay gap and increasing female participation is seen in policies which focus on early education (subsidised childcare) and in-work benefits. However, no obvious consensus emerges from this research other than that making female employment easier, matters more than the length of the leave given to parents or the payments that they receive whilst they are off work.<sup>43</sup>

There is also a case for policies that allow parents to better manage their work and caring responsibilities after the early years of their child's life. Parents in the UK already have entitlements to four months unpaid leave to look after a child up to the age of 18.

The new EU Work Life Balance Directive provides parents with an individual right to 4 months parental leave – from which two months are non-transferable between the parents and are to be paid at a level set by Member States – with the objectives of improving access to work-life balance arrangements and increasing the take-up of family-related leave and flexible working by men.

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<sup>41</sup> Conversion of currency undertaken on 10 July 2019, using: <https://themoneyconverter.com/ISK/GBP>

<sup>42</sup> Bünning, M. (2015). 'What happens after the 'daddy months'? Fathers' involvement in paid work, childcare, and housework after taking parental leave in Germany', *European Sociological Review*, vol. 31, Issue.6, pp. 738-748.

<sup>43</sup> Olivetti, C., Petrongolo, B. (2017) CEP Discussion Paper No 1464, January 2017 - The Economic Consequences of Family Policies: Lessons from a Century of Legislation in High-Income Countries.

As part of their justification for introducing the new Work Life Balance Directive, the European Commission stated that work-life balance policies hold the power to address gender employment and pay gaps. The general objective of this Directive is to ensure the implementation of the equality principle between men and women with regard to labour market opportunities and treatment at work.

## High level options for reforming parental leave and pay

As set out above, family-related leave and pay entitlements in Great Britain have a number of different, and sometimes competing, aims. Any reform needs to encompass and consider not just those multiple objectives but how the different parental leave policies and incentives interact. In changing one policy we would in effect change the relative incentives and opportunities for parents across all the other current supporting parental policies. The policies which we could potentially review and reform are:

- Paternity Leave and Pay for eligible fathers and partners;
- Shared Parental Leave and Pay for eligible couples;
- Maternity Leave and Pay/Allowance for pregnant women and new mothers; and
- Parental Leave for parents of older children.

## Making the right trade-offs and choices to support families

The bigger the reforms we make, the more we need to make sure that those reforms are meeting our multiple [policy objectives](#). These include flexibility for families; increasing fathers' involvement in childcare; supporting women's labour market participation; and further reducing the employment and gender pay gaps. That may mean some important choices and potential trade-offs around:

- How entitlements to leave and/or pay are split between parents;
- Balancing flexibility and choice for families and incentivising parental behaviours (e.g. solo childcare by fathers);
- Creating more rules and incentives to determine how leave is taken and shared, versus simplicity for parents to navigate the system and make choices;
- Giving parents the flexibility to take leave when it suits them and giving their employers and co-workers certainty;
- How the costs of parental leave and pay are shared between families, employers and the government;
- How much support is provided at the time of the birth versus giving parents opportunities to take parental leave when their child is older;
- How support is distributed across families – and whether the generosity of support should vary according to a family's income;
- How the costs are distributed across types of employers – including, the relative support provided to SMEs and large employers;

- How employers who provide enhanced contractual leave and pay would respond to government enhancing family-related statutory pay (e.g. would they extend the period of contractual leave and pay or re-cycle the savings?); and
- The level of support offered to families with different characteristics.

The next section considers each of the main entitlements to parental leave and pay in turn, reflecting on some of the specific options for reform, and the associated trade-offs. This is followed by consideration of possible approaches to reform, and how best to maximise the potential of reform to meet the [objectives](#) we seek to meet from giving parents access to parental leave and pay.

## Paternity Leave and Pay

The most recent assessment of take-up of Paternity Leave suggests that around 90% of fathers take time off work following the birth of their child. Of these fathers, only 75% use Paternity Leave and Pay to achieve this (the rest used other types of paid leave, for example, annual leave).<sup>44</sup>

Prior to the introduction of Shared Parental Leave and Pay, eligible fathers could also take Additional Paternity Leave and Pay which gave them access to up to 32 weeks of leave and up to 19 weeks of pay where the mother did not intend to use her full maternity entitlements. The leave and pay could only be taken from the 20th week after birth and then only if the mother had returned to work. Take up for Additional Paternity Leave and Pay was estimated to be around one percent. The scheme was abolished in 2015 when Shared Parental Leave and Pay was introduced.

In two Women and Equalities Select Committee (WESC) reports in 2016<sup>45</sup> and 2018<sup>46</sup>, WESC recommended that Statutory Paternity Pay should be paid at 90% of salary (capped for high earners). They also recommended a new entitlement to 12 weeks of parental leave and pay for fathers, additional to the current entitlement to up to two weeks Paternity Leave, which could only be taken when the mother had returned to work. In addition, the recommendation was that the first four weeks of statutory pay should be paid at 90% of the father's/partner's salary (capped for high earners). The advocacy group Working Families<sup>47</sup> and the Equality and Human Rights Commission<sup>48</sup> both separately recommended that a well-compensated, stand-alone period of extended Paternity Leave for fathers could increase take-up.

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<sup>44</sup> Department for Work and Pensions, (2011). Maternity and Paternity Rights and Women Returners Survey 2009/10 [online]. Available at: [www.gov.uk/government/publications/maternity-and-paternity-rights-and-women-returners-survey-200910-rr777](https://www.gov.uk/government/publications/maternity-and-paternity-rights-and-women-returners-survey-200910-rr777)

<sup>45</sup> WESC, (2016), Report on the Gender Pay Gap Inquiry, Women and Equalities Committee, House of Commons [online]. Available at: <https://publications.parliament.uk/pa/cm201516/cmselect/cmwomeq/584/584.pdf>

<sup>46</sup> WESC (2018), Fathers and the workplace [online], Women and Equalities Committee, House of Commons. Available at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmwomeq/358/358.pdf>

<sup>47</sup> Working Families, (2018). Increase the Joy: Improving Shared Parental Leave [online]. Available at: [www.workingfamilies.org.uk/wp-content/uploads/2018/05/WF-Briefing-2018-Increase-the-Joy-ways-to-improve-Shared-Parental-Leave-FINAL.pdf](http://www.workingfamilies.org.uk/wp-content/uploads/2018/05/WF-Briefing-2018-Increase-the-Joy-ways-to-improve-Shared-Parental-Leave-FINAL.pdf)

<sup>48</sup> EHRC, 2018, Women's rights and gender equality in 2018: update report [online], Equality and Human Rights Commission. Available at: [www.equalityhumanrights.com/en/womens-rights-and-gender-equality-2018-update-report](http://www.equalityhumanrights.com/en/womens-rights-and-gender-equality-2018-update-report)

We are seeking views on the following questions:

1. **What emphasis should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave available?**
2. **What impact would changing either leave or pay have on our [policy objectives](#)?**
3. **How should the costs of providing Paternity Leave and Pay be apportioned between government, employers and parents?**
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)?**
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?**
6. **Should the level of reimbursement for employers vary according to their size (as now)?**
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?**
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?**
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?**

## Shared Parental Leave and Pay

The government originally forecast that take-up of Shared Parental Leave and Pay would be between two percent and eight percent of eligible couples because social attitudes towards the roles of men and women in a family would be slow to change.

The information we have on take-up so far suggests that take-up is in the middle of that bracket. Anecdotal evidence suggests that the complexity of the scheme may be a barrier to take-up. We are currently evaluating the scheme. This will give us a better idea of take-up; identify barriers and enablers to take-up; and provide information on how the scheme is being used in practice. It will tell us, for example, whether eligible parents are using the scheme to take time off work together to enable the father to be their child's solo carer for a period of time; and whether fathers are taking leave and pay in blocks or as a single period of consecutive weeks.

Like Statutory Paternity Pay, Statutory Shared Parental Pay is not enhanced (it is worth up to £148.68 a week throughout). Whilst mothers can transfer up to 37 weeks of their entitlement to Statutory Maternity Pay (SMP) into the scheme, they cannot transfer their entitlement to six weeks of enhanced pay – even if they have not taken them.



Fathers are only able to access additional weeks of leave and pay through the scheme if the mother is prepared to give up some of her maternity entitlements (in essence, the mother acts as a 'maternal gatekeeper' for the scheme). The advocacy group Working Families have suggested that, within the current scheme, each parent should be given their own (equally sized) 'pot' of leave and pay, leaving a larger 'pot' of leave, say nine months', to be shared between the parents however they decide. They consider that this could have a greater impact in terms of promoting and facilitating shared parenting than giving fathers additional weeks of Paternity Leave and Pay.<sup>49</sup>

To preserve equality, we could only give fathers their own 'pot' of leave and pay within the scheme if we make an equally sized 'pot' available to mothers. The same would apply if we were to offer any period of enhanced pay. Any new pay enhancement in SPL could also incentivise mothers who would have returned to work early to stay on parental leave.

We are seeking views on the following questions:

- 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.**
- 11. Should there be a dedicated pot of leave and pay for each parent within the Shared Parental Leave and Pay scheme?**
- 12. Should mothers continue to be the 'gatekeeper' for the Shared Parental Leave and Pay scheme?**
- 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?**
- 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 impacts across families with different characteristics (e.g. families from different socio-economic groups or cultural backgrounds)?**
- 15. Should support vary according to family characteristics, including income levels?**
- 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?**
- 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?**

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<sup>49</sup> Working Families, (2018). Where next for Shared Parental Leave: reflections on 'Fathers and the Workplace' recommendations [online], workingfamilies.org.uk. Available at: [www.workingfamilies.org.uk/workflex-blog/where-next-for-shared-parental-leave-reflections-on-fathers-and-the-workplace-recommendations/](http://www.workingfamilies.org.uk/workflex-blog/where-next-for-shared-parental-leave-reflections-on-fathers-and-the-workplace-recommendations/)

## Maternity Leave and Pay

As set out earlier, women currently have access to 52 weeks of Maternity Leave and 39 weeks of Statutory Maternity Pay (or Maternity Allowance). This is amongst the most generous provisions in terms of length of leave in international comparisons. The enhanced pay level is also generous by international standards, but not the length of that period. Other European countries have a different balance between the total period available and the period of leave that is enhanced. Some offer both parents access to leave and pay on more equal terms (countries often seen by many as exemplars in terms of their parental leave and pay arrangements).

If the government is to consider significant reform to parental leave arrangements – in particular, either Paternity Leave or Shared Parental Leave – it is likely to need to look at the interplay with Maternity Leave and Pay. For example, if fathers were given more flexibility within the current arrangements for Paternity Leave (e.g. if they were allowed to take their leave in blocks), it would be unfair not to give mothers the same flexibility within the Maternity Leave and Pay scheme. Equally, if there were changes to the periods of pay enhancement or the enhancement level itself, that would need to be done while considering the equality of treatment between both partners in the family.

We are seeking views on the following questions:

- 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?**

## Parental leave for parents of older children

Parents are already entitled to a total of 18 weeks' unpaid leave to care for a child up to and including the child's 18th birthday. This entitlement is per parent, per child, and cannot be transferred between parents. This policy recognises that responsibility for caring for a child does not end after the first year of the child's life, and that parents may need time off work to care for older children (i.e. children over the age of one). The EU Work Life Balance Directive provides parents with an individual right to four months parental leave, from which two months are non-transferable between the parents and are to be paid at a level set by Member States.

The benefit of the UK's current approach is that it provides a substantial period of leave and maximum flexibility as to when leave is taken, and each parent has their own entitlement to leave. It also provides a source of support over the longer-term, as opposed to Paternity, Maternity and Shared Parental Leave, which must be taken in the child's first year. It has also maximised the length of time during which the leave is available, but with no emphasis on providing any income support during the period.

We are seeking your views on the following questions:

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

## Towards a comprehensive suite of parental leave policies

Parental leave policies in the UK have developed over time, by different governments and different government departments. Some originate from the 1970s and earlier. Other aspects of the leave offer are more recent additions, reflecting changing culture, expectations and economic realities. As well as strong interactions between these policies, set out above, it is important that they work cohesively together to support the right choices for families and work in synergy with employers. One option is to move to a single, new model for family-related leave. This could be along the lines of the Iceland model referenced above, with set periods of non-transferable and transferable leave. Alternatively, we could continue reform while maintaining the existing entitlements, ensuring that changes are consistent and represent a clear and comprehensive offer to families.

Moving to a completely new model for family-related leave and pay would require a significant and sustained investment of resources, but that may be preferable to amending entitlements piecemeal and risking inadvertently undermining the policy objectives of individual entitlements. In order to create maximum impact and lasting change we want to ensure that we are fully exploiting the potential of any reforms to meet the multiple policy objectives we seek from giving parents access to parental leave and pay. In order to do that, we are seeking views on the high-level challenges of potential reforms. In particular:

- 22. Do you agree with the government's [objectives](#) for parental leave and pay policies?**
- 23. Do you think the government should consider a more radical change – potentially moving to a single 'family' set of leave entitlements, or seek to reform the existing entitlements?**
- 24. If we were to move to a new model for parental leave and pay, which areas for reform are most important? Please give a reason for your answer. In particular:**
  - a) Is more support needed for families around the time of the birth of a child or later, when the child is older?**
  - b) Should any incentives for fathers to take more responsibility for childcare focus on: a specific paternity entitlement; changes to the Shared Parental Leave and Pay scheme; or parental leave for older children?**
  - c) Should the government give greater priority to the length of leave available or to the pay enhancements available?**
  - d) Should support be directed to any particular groups of families? If so which groups, and how?**

**e) How should the costs of any reforms fall between families, the government and business? Please provide reasons for your answer.**

- 25. Should government prioritise reform of parental leave policies over other government policies which support parents to combine work with family life?**
- 26. If you consider that the government should prioritise reform of parental leave and pay policies, which policies are most important and why?**

### Cost to the government and business

There are clear and important benefits to parental leave and pay entitlements. But there are costs too. All forms of parental leave are currently largely funded by the government, although some businesses choose to enhance the pay parents receive while on leave from the statutory minimum. We must also be mindful of the impact that an individual's absence from work has on their employer and co-workers. For every working parent that is at home caring for their child or children, there is a workplace that must manage without them for the duration of the parent's absence from work. Whilst individuals are unlikely to be completely irreplaceable, their absence from work comes at a cost to their employer both in terms of providing cover for the individual's work (including recruiting temporary members of staff) and of training other members of staff to do the individual's work.

Parental leave and pay policies which incentivise parents to take more time off work are intended to drive up the take-up rate for the leave and pay in question. Increasing the level of take-up obviously increases the cost of providing the entitlement. The current costs for the government primarily arise from reimbursing employers in respect of statutory pay that they have paid to their employees on behalf of the State. Employers can re-claim at least 92% of family-related statutory pay through the tax and national insurance contributions system. In the case of small employers, 103% of the cost of statutory pay can be re-claimed from government. The government also incurs costs in relation to setting up and maintaining systems which enable employers to 'reclaim' family-related statutory pay they have paid to their employees.

## 2. Neonatal Leave and Pay: Proposals to support parents of children who require neonatal care following birth

*This chapter explores the design of potential new statutory rights to Neonatal Leave and Pay, the associated practical considerations and the implications for employers and employees.*

Please respond to the questions in this chapter by **11 October 2019**.

### Introduction

#### Babies in neonatal care

In the UK, an estimated 100,000 babies are admitted to neonatal care every year following their birth. Bliss (the charity for premature and sick babies) estimates that:

- Of the 60,000 babies a year who are born prematurely (before 37 weeks' gestation), around two thirds require neonatal care; and
- A further 60,000 babies who are born full-term (at 37 or more weeks' gestation) are admitted each year to neonatal intensive care – this is around 10% of the annual birth rate of full-term babies.<sup>50</sup>

A baby's gestational age is strongly correlated with the length of time that they will spend in neonatal care following birth – according to the Neonatal Data Analysis Unit, a baby born at 24 weeks will spend an average of 17.6 weeks in neonatal care, whereas a baby born between 32 and 36 weeks will spend an average of 12 days there.

Neonatal care is not only for premature babies. Many full-term but sick babies spend prolonged periods of time on a neonatal care unit in a hospital as a result of being born with congenital conditions, complications at birth, or experiencing serious health conditions shortly after birth. In addition, multiple births (twins, triplets, etc.) are more likely to be premature. Around 50% of multiples are born before 37 weeks' gestation, but the proportion of multiples that spend time in neonatal care because of complications following birth is even higher at 60%.<sup>51</sup> This time in neonatal care can be days, weeks or months depending on the babies' specific needs.

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<sup>50</sup> NDAU, (2017). NDAU 2016 Report. Available at: [www.imperial.ac.uk/media/imperial-college/medicine/dept-medicine/infectious-diseases/neonatology/NDAU-2016-Report-v1.1-\(002\).pdf](http://www.imperial.ac.uk/media/imperial-college/medicine/dept-medicine/infectious-diseases/neonatology/NDAU-2016-Report-v1.1-(002).pdf)

<sup>51</sup> TAMBA, (2013). Multiple Births Parents' Experiences of Maternity and Paternity Leave. Available at [www.tamba.org.uk/document.doc?id=516](http://www.tamba.org.uk/document.doc?id=516)

### *What is neonatal care?*

Neonatal means ‘new born’ and neonatal units specialise in the care of babies born early, with low weight or who have a medical condition that requires specialised treatment. There are four levels of care:

1. **Intensive care** – provided for babies who have the most complex problems, who are very premature (those born before 28 weeks’ gestation) and/or have an extremely low birth weight (birth weight less than 1500 grams).
2. **High dependency care** – provided for babies with less serious problems but who still need continuous monitoring and support and for those who are recovering from a critical illness.
3. **Special care (sometimes called low dependency care)** – provided for babies who may need to have their breathing and heart rate monitored, be fed through a tube, supplied with extra oxygen or treated for jaundice.
4. **Transitional care** – is provided for babies who need some medical observation or treatment but who are well enough to be cared for at their mother’s bedside in a postnatal ward.

Children can move between the different levels of care (and care facilities) depending on their needs. This can involve transfers between hospitals, particularly in cases where the parents’ local hospital is unable to care for the baby’s immediate needs or the needs of the baby over the coming days or weeks.

### *Parents’ experience of having a baby in neonatal care*

Having a baby is a significant event in lives of all parents, it is an exciting time and parents look forward to taking their baby or babies home, getting to know them and introducing them to family and friends. For some parents, however, giving birth can trigger a particularly traumatic period in their lives. A new baby’s admission to a neonatal unit often follows a sudden, difficult and sometimes complicated birth. Even where the admission to neonatal care was expected – e.g. when labour was induced because the health of the mother or her unborn child or children was at risk - parents can never prepare themselves for the experience of having a baby who needs immediate, intensive care to thrive and, in some cases, to survive.

Of the approximately 4,000 child deaths (under the age of 16) in 2017, around 74% of children die in the first year following birth; and 72% of infant deaths (i.e. under the age of one), died within the first 28 days of life.<sup>52</sup> This highlights the fragility of a baby’s first weeks of life and, with this, the uncertainty that parents of babies in neonatal care can face with respect to their baby’s chances of survival.

The worry and uncertainty that follows a baby’s or babies’ admission to a neonatal unit can, therefore, feel overwhelming to parents. They can experience a myriad of emotions including shock, anger, grief and feelings of helplessness and uncertainty, all of which can have a significant impact on the health and wellbeing of parents in this situation. In a survey of around 600 parents conducted by Bliss in 2018, 80% of parents whose babies were admitted into neonatal care reported that their mental health suffered after their experience and 35% of

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<sup>52</sup> ONS, (2019). Child mortality (death cohort) tables in England and Wales [online], Office for National Statistics, ons.gov.uk. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/childmortalitystatisticschildhoodinfantandperinatalchildhoodinfantandperinatalmortalityinenglandandwales](https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/childmortalitystatisticschildhoodinfantandperinatalchildhoodinfantandperinatalmortalityinenglandandwales)

parents reported that their mental health was “significantly worse” after their time on the neonatal unit. The survey also found that: 23% of respondents had been diagnosed with anxiety; 16% has been diagnosed with post-traumatic stress disorder; and 14% had been diagnosed with postnatal depression after their experience of having a baby or babies in a neonatal care unit.<sup>53</sup>

Parents of children in neonatal care have practical considerations around arranging their time in order to spend as much time as possible with their new baby or babies, which can exacerbate their anxiety. It is unusual for parents to be able to stay overnight on the ward where their baby is receiving care, but in the interests of their baby’s or babies’ health and well-being they are strongly encouraged to be present to facilitate caregiving. For example, skin to skin contact with both parents is associated with better health outcomes for the baby.

During this time parents may need to travel significant distances between their home and the hospital on a daily basis or even stay in temporary accommodation closer to the hospital. This could introduce issues such as: childcare arrangements for other children; parents’ ability to return to work at the end of their period of arranged leave; as well as the financial costs arising from all of the above.

Unfortunately, some parents continue to face significant challenges beyond the point of discharge from hospital. Sometimes a baby can be sent home with highly specialised medical equipment which they continue to be dependent upon, and which parents must administer; and sometimes babies can be left with long-term health conditions which require ongoing specialist care.

Even where this is not the case, when a baby is discharged from neonatal intensive care its developmental age is likely to be behind its chronological age. This, as well as ongoing dependencies on medical equipment and specialist care, can create barriers to participating in ‘normal’ activities such as attending mother and baby groups or joining a nursery; and to mothers returning to work at the end of their statutory leave.

Where a baby is kept in neonatal care for longer than two weeks, a Bliss survey found that around 36% of fathers and partners were signed off sick while their baby was in neonatal care.<sup>54</sup> In some cases, this can have a negative impact on their employment record and can lead to damage to labour market outcomes. Fathers and partners may also experience negative effects on their physical and mental health from trying to combine work with caring for the child and the mother.

## BEIS’s Internal Review of Provisions for Premature, Sick and Multiple Babies

Earlier this year, BEIS concluded an internal review of provisions for premature, sick and multiple babies. This review sought to understand the barriers that these parents can face to returning to and staying in the labour market following the birth of their child. It highlighted that the challenges faced by parents of premature, sick and multiple babies can be significant, particularly in cases where their baby needs neonatal care for a number of weeks or months following birth. Annex 2 contains more information about the internal review, its findings, and actions being taken in response.

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<sup>53</sup> Bliss, (2018). Bliss releases new research on mental health [online], bliss.org.uk. Available at: [www.bliss.org.uk/news/bliss-releases-new-research-on-mental-health](http://www.bliss.org.uk/news/bliss-releases-new-research-on-mental-health) [Accessed 1 July 2019]

<sup>54</sup> Bliss, (2019). Bliss 2019 survey of parents with experience of having a baby in neonatal care [online], bliss.org.uk. Available at: [www.bliss.org.uk/news/two-thirds-of-dads-forced-to-return-to-work-while-their-baby-was-still-in-neonatal-care](http://www.bliss.org.uk/news/two-thirds-of-dads-forced-to-return-to-work-while-their-baby-was-still-in-neonatal-care)

Prospective parents and new parents enjoy a range of family-related leave and pay rights which enable them to take time off work prior to the birth of their child and subsequently. These entitlements are designed to cater to a variety of circumstances. More information about current entitlements to parental leave and pay can be found in [Chapter 1](#).

In addition, all employees have the right to take a reasonable amount of time off work to deal with emergencies involving family and other dependants; and employees with 26 weeks' service have a statutory right to request flexible working.

Nevertheless, evidence gathered so far through the internal review suggests that current leave and pay entitlements do not adequately support parents where the baby or babies need to spend a prolonged period in neonatal care. In response, this chapter proposes a new entitlement to Neonatal Leave and Pay for parents in these circumstances.

## Proposal of a new entitlement to Neonatal Leave and Pay

Currently, parents of a baby or babies in neonatal care rely on their statutory leave entitlements to enable them to be off work whilst the baby is in hospital. This means that for mothers, a proportion of their 52 weeks of Maternity Leave is spent with the baby in hospital; and for fathers and partners, typically their whole two weeks of Paternity Leave is spent with the mother and baby in hospital.

As a result, these parents are unable to spend time caring for their child outside of a medical environment for at least a proportion of their Maternity Leave or Paternity Leave. Where the baby has been in neonatal care for a prolonged period, fathers and partners often rely on annual leave entitlements or unpaid leave in order to be with the mother and baby in hospital after their statutory Paternity Leave has elapsed. Around 6% of fathers and partners reported to Bliss that they had to take sick leave after their Paternity Leave had ended to enable them to remain off work and be with their baby in hospital.<sup>55</sup>

The government wants to consider the option of providing Neonatal Leave and Pay. This would be an entitlement to be absent from work to care for the baby, so that, as far as possible, parents have additional time at home with their child to compensate for the time their child was in hospital after birth.

We propose that parents receive one week of Neonatal Leave and Pay for every week that their baby is in neonatal care, up to a maximum number of weeks. This would apply to parents of babies who had spent a minimum of two continuous weeks in neonatal care immediately after birth.

For fathers and partners who would otherwise only have a maximum of two weeks' Paternity Leave, plus any other leave entitlements, Neonatal Leave and Pay would facilitate this parent to be absent from work in order to be with their baby or babies whilst they are in neonatal care. Where the father or partner is eligible for Paternity Leave, the intention is that Neonatal Leave and Pay would be taken at the end of the father's Paternity Leave.

For mothers, Neonatal Leave and Pay would enable an additional period of time to be spent caring for the baby at home at the end of her Maternity Leave, which will replace the time that would have been spent doing this following birth, but for the fact the baby was in hospital.

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<sup>55</sup> Bliss (2017) Parental Leave Survey, Bliss, [Unpublished]



Supporting parents in the manner proposed will help to maintain their attachment to the labour market with both short-term and long-term benefits to the individual parent and their family, the economy and society.

Existing provisions for other family-related leave and pay rights, such as Maternity, Paternity, and Shared Parental leave and Pay would be unaffected by this statutory right. The government is considering making Neonatal Leave and Pay a new, additional entitlement.

## Eligibility for Neonatal Leave and Pay

### *Mothers, fathers and partners*

In determining who should be eligible for Neonatal Leave and Pay, we have considered whether leave and pay should be available to individuals outside of the baby or babies' immediate family. We have concluded that it should be restricted to the individuals who would have had the main responsibility for caring for the child, had it not been admitted to neonatal care.

These individuals are more likely to need to take time off work to spend time with their new baby or babies in neonatal care; or to care for it at home, outside of a medical environment.

This means that the following groups of parents would potentially be eligible for Neonatal Leave and Pay:

- The mother of the baby or babies;
- The father of the baby or babies;
- The mother's spouse; civil partner or a partner who will be living with the mother and baby that is in neonatal care in an enduring family relationship;
- The intended parents in a surrogacy arrangement (where they are eligible for and intend to apply for a Parental Order);
- The intended parents in cases of adoption, where the intention was that the baby or babies would be placed with the individuals that they have been matched with at birth or shortly after birth

1. **Do you agree with the principle that entitlement to Neonatal Leave and Pay should be restricted to the individuals who would have had the main responsibility for caring for the child following birth, had it not been admitted to neonatal care (i.e. those listed above)?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**If you disagree or disagree strongly, please specify who else you think should be entitled.**

### *Ensuring that the new entitlement is targeted at those parents who are most in need*

The current regime of family-related leave and pay entitlements is intended to cater for a variety of circumstances which new parents may find themselves in. However, through our internal review we heard representations that more could be done to support parents in circumstances where their baby or babies have a prolonged stay in neonatal care following birth.

We heard that this group of parents can face particular challenges – which may impact on their ability to return to and stay in work – arising from circumstances in which:

- their baby is still in neonatal care at the end of the father/partner's Paternity Leave;
- their baby or babies' developmental age is significantly behind its/their chronological age(s) at the end of the mother's Maternity Leave;
- their baby or babies are admitted to a hospital (or different hospitals) which are not near the parents' home;
- their baby or babies are discharged from hospital with significant, ongoing care needs;
- employers do not take a compassionate approach to supporting parents to be with their baby in hospital;
- fathers and partners of babies in neonatal care do not qualify for Statutory Paternity Leave because they have not worked for their employer long enough, and so must rely on other, contractual types of leave or unpaid leave.

The government proposes to give parents of babies admitted to neonatal care following birth an additional week of statutory leave and pay for each week that their child is in hospital.

We propose that access to Neonatal Leave and Pay should be restricted to parents whose baby or babies have been in neonatal care for two weeks or more.

The government believes that two weeks is the right threshold for accessing this entitlement, as this will ensure that there is no gap between the end of a father/partner's Paternity Leave and the start of Neonatal Leave and Pay. If the threshold is higher, fathers/partners may have to return to work between these two entitlements or rely on another form of leave such as annual or sick leave.

Nevertheless, a higher threshold could enable Neonatal Leave and Pay to target parents who are most in need – those with the most seriously ill children or likely to spend an extended period of time in neonatal care.

We recognise that some babies are in neonatal care for a relatively short period. Whilst this does not detract from the difficulties that parents experience whilst their baby is in neonatal care, parents of children who spend a matter of days or even hours in hospital are less likely to face challenges as significant as those whose babies spend a prolonged period in hospital.

There are a range of other statutory entitlements that could enable these parents to take time off to be with their child.

## **2. Do you agree that parents of babies who need to spend time in neonatal care should have access to additional pay and leave?**

- **Strongly agree**

- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**If you disagree or strongly disagree, please provide a reason for your answer.**

- 3. Do you agree that access to Neonatal Leave and Pay should be restricted to parents whose children have spent a minimum of two weeks in neonatal care, i.e. are seriously ill or likely to be in hospital for an extended period of time?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**If you disagree or strongly disagree, please provide a reason for your answer.**

- 4. If you agree that access to Neonatal Leave and Pay should be restricted to parents whose babies are most seriously ill, after what length of time in neonatal care should the parents' entitlement to Neonatal Leave and Pay crystallise?**

- **After 2 weeks**
- **4 weeks**
- **Other**

**Please provide reasons for your answer.**

### *Other circumstances*

Our internal review identified areas where the current regime is not working for parents in circumstances where a baby is admitted to neonatal care for a prolonged, continuous period immediately following birth. However, we recognise that there may be other circumstances in which parents face significant barriers to returning to and staying in work once they have used up their existing statutory leave and pay entitlements.

The following are examples of the kinds of circumstances that the government may wish to consider for inclusion within the scope of the provision. However, this is not a definitive list.

Circumstances where there is a break between the baby's birth and admission to hospital. For example, the baby could be discharged following birth only to be readmitted to hospital with a serious and potentially life-threatening condition or illness a few days later or at a later point in the baby's first year.

Circumstances where a baby is receiving life-supporting treatment outside of a hospital environment. For example, where a baby has been discharged from hospital but continues to require oxygen therapy, which the parents will administer at home.

**5. Are there other circumstances that you think should be considered for inclusion within the scope of Neonatal Leave and Pay? What are they?**

**Please provide reasons for your answer.**

## Qualifying conditions for Neonatal Leave and Pay

### *Neonatal Leave*

The internal review highlighted that parents can face particular challenges where fathers and partners of babies in neonatal care do not qualify for Statutory Paternity Leave because they do not have the necessary 26 weeks' continuous employment with their employer. We propose that employed parents whose baby spends a prolonged period in neonatal care from birth have a day-one right to Neonatal Leave, i.e. employed parents would be eligible for the leave irrespective of the length of service with their employer, so could qualify for Neonatal Leave even if they don't qualify for Paternity Leave.<sup>56</sup>

The government acknowledges the particularly sensitive nature of the situation where a baby is admitted to neonatal care following birth and believes that all employed parents should be supported to be away from work to be with their partner and new baby at this difficult time.

Employees will also have the certainty of knowing that their employer has a legal obligation to grant them Neonatal Leave in the event that their baby is admitted to neonatal care, therefore removing the ability of an unscrupulous employer to withhold or withdraw support.

This mirrors the approach taken to Maternity Leave, which provides for mothers to take leave irrespective of their length of service with their employer when they fall pregnant. This recognises the particular health and safety considerations that apply to giving birth, and serves to protect pregnant women and new mothers. Adoption Leave is also a day-one right.

Furthermore, the upcoming new entitlement to Parental Bereavement Leave will be a day-one right, in recognition of the particularly untimely and traumatic circumstances of a child's death.

### *Neonatal Pay*

We propose that, as far as practicable, Neonatal Pay should mirror existing family-related statutory payments, such as Statutory Paternity Pay and Statutory Shared Parental Pay.

This would mean that, in order to qualify for Neonatal Pay parents must have:

- Average earnings over a prescribed reference period above the Lower Earnings Limit<sup>57</sup> and be continuously employed by the employer who is liable to pay them Neonatal Pay up until the baby's birth; and

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<sup>56</sup> Like other family-related leave and pay rights, this proposal focuses on employed parents as they do not, generally, have the same flexibility as self-employed parents. The government is not ruling out providing further support for self-employed parents in future, but as set out in the government's response to the Taylor Review of Modern Working Practices, it is right to only consider making changes to this area in the wider context of tax, benefits and rights over the longer term.

<sup>57</sup> The Lower Earnings Limit (LEL) is the amount of earnings required to allow an employee to qualify for certain state benefits. The lower earnings limit is set each tax year by the government. For 2019-2020 the LEL is set at £118 per week.

- Have at least 26 weeks' continuous service with their employer at the 15th week before the baby is due (this essentially means that they must have been employed by their current employer at the point the mother became pregnant).

Statutory Neonatal Pay would be paid by the parent's employer. The employer will then be able to reclaim a proportion of it from HM Revenue & Customs.<sup>58</sup> Neonatal Pay would be paid at the statutory flat rate (currently £148.68 for the year 2019/20) or 90% of average weekly earnings where that is lower.

**6. Do you agree that Neonatal Leave should be a 'day one right' in line with Maternity Leave, Adoption Leave and Parental Bereavement Leave?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**Please provide reasons for your answer.**

**7. Do you agree that the qualifying period of service for Statutory Neonatal Pay should mirror the qualifying period of Statutory Paternity and Shared Parental Pay?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**Please provide reasons for your answer.**

## The leave and pay

### *Length of the entitlement*

The proposal is that parents of babies admitted to neonatal care following birth receive a week of Neonatal Leave and Pay for every week that their baby is in neonatal care.

This will ensure that the support provided by this entitlement is proportionate to the length of time that the baby spends in hospital, so that parents of the most severely ill babies can be off work and with their baby for longer. It will mean that the entitlement is tailored to the circumstances of each family, in so far as is possible.

We have suggested that the entitlement should be restricted to parents whose baby has spent a minimum of two weeks in neonatal care. This is so that this provision can target those

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<sup>58</sup> Employers will reclaim the statutory payment from the government by reducing their national insurance contributions. Large employers will be able to reclaim 92% whilst small employers (those who have paid £45,000 or less in gross national insurance the preceding tax year) will be able to recover 103%.

parents most in need of additional support, over and above their existing statutory entitlements to leave and pay.

In addition, we propose that the potential length of Neonatal Leave and Pay should be capped at a maximum number of weeks.

The length of time that babies spend in neonatal care varies according to the severity of their condition. We know that the majority (54%) of babies admitted to neonatal care spend one week or less in hospital before being discharged home. A much smaller proportion (19%) of babies spend between one and two weeks. This proportion decreases as the length of stay increases, with only 13% of babies admitted to neonatal care spending more than four weeks in hospital.<sup>59</sup>

The government recognises that there may be cases where a baby spends a particularly long period in hospital. A baby's prematurity, and the acuteness of its medical condition is strongly correlated with the length of stay. For example, the Neonatal Data Analysis Unit reports that a baby born at 24 weeks gestation will spend an average of around 18 weeks in neonatal care before being discharged home.<sup>60</sup>

However, it is important that a new Neonatal Leave and Pay policy balances the needs of parents with the needs of their employers and co-workers. An upper limit will give employers a degree of certainty over when their employees will be absent from work so they can plan ahead and ensure business continuity.

Capping the maximum number of weeks of leave and pay available will also help to maintain affordability and, therefore, ensures that this can be a paid entitlement.

Nevertheless, the government invites views on whether there should be different caps on the maximum numbers of weeks of leave and pay, such that the latter weeks of Neonatal Leave would be unpaid. This could enable parents of babies spending the longest time in neonatal care to be off work for as long as possible, but this would likely involve a trade-off with pay in order to maintain affordability.

It is important to consider the existing entitlements that could support parents of babies with the longest stays in neonatal care. Where eligibility criteria are met, parents may, for example, be able to make use of the current entitlement to parental leave in respect of older children to cover the period that extends beyond the maximum number of weeks of Neonatal Leave and Pay that we propose to provide.

## **8. Do you agree that the entitlement to Neonatal Leave should be capped?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**

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<sup>59</sup> National Neonatal Audit Programme, (2017). National Neonatal Audit Programme Annual Report 2018 – on 2017 data [online], rcpch.ac.uk. Available at: [www.rcpch.ac.uk/resources/national-neonatal-audit-programme-annual-report-2018-2017-data](http://www.rcpch.ac.uk/resources/national-neonatal-audit-programme-annual-report-2018-2017-data)

<sup>60</sup> Neonatal data Analysis Unit, (2016). NDAU 2016 Report, Imperial College London. Available at: [www.imperial.ac.uk/media/imperial-college/medicine/dept-medicine/infectious-diseases/neonatology/NDAU-2016-Report-v1.1-\(002\).pdf](http://www.imperial.ac.uk/media/imperial-college/medicine/dept-medicine/infectious-diseases/neonatology/NDAU-2016-Report-v1.1-(002).pdf)

- Don't know

Please provide reasons for your answer.

- a) If you agree that the number of weeks of Neonatal Leave that are available to parents should be capped, what is the optimal maximum number of weeks of Leave that should be available?

- 2 weeks
- 4 weeks
- 6 weeks
- 12 weeks
- Other

Please provide reasons for your answer.

9. Do you agree that the maximum number of weeks of Neonatal Leave should be the same as the maximum number of Neonatal Pay in order to ensure eligible parents can receive pay throughout their leave period?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

- a) If you disagree with question 9 do you agree that the number of weeks of Statutory Neonatal Pay that is available to parents should be capped?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

10. If you agree that the number of weeks of Statutory Neonatal Pay that is available to parents should be capped, what is the optimal maximum number of weeks of Pay?

- 2 weeks
- 4 weeks
- 6 weeks
- 12 weeks
- Other

Please provide reasons for your answer.

### *When Neonatal Leave and Pay can be taken*

We propose that a new entitlement to Neonatal Leave and Pay is taken at the end of existing entitlements to family-related leave and pay – i.e. at the end of Maternity Leave or Paternity Leave – in a continuous block. We are considering how this would interact with Shared Parental Leave and Pay.

This will ensure that existing provisions for other family-related leave and pay rights, such as Maternity, Paternity and Shared Parental Leave and Pay would be unaffected by the proposed new statutory right.

In addition, to create Neonatal Leave and Pay as a new, stand-alone entitlement makes it possible to give both parents equal access to the scheme.

Adding Neonatal Leave and Pay to the end of existing parental entitlements to leave and pay enables parents to take a continuous period of leave (made up of one or more of their statutory entitlements to family-related leave and pay), plus Neonatal Leave and Pay. This will enable employers to plan contingencies for staff absences more effectively, as well as supporting parents to care for their new baby or babies.

This arrangement is also easier for parents to understand and for employers to administer as, there are legal and practical issues that arise from interrupting and extending Maternity Leave and Pay. In addition, at the point of the baby's or babies' admission to neonatal care it is unlikely to be clear how long they will need care for. This means that, even if we changed the law to allow Maternity Leave and Pay to be interrupted by Neonatal Leave and Pay, parents and their employers could potentially lose track of which parental leave and pay entitlement parents are using at any point in time and when that entitlement expires.

**11. Do you agree that Neonatal Leave and Pay should be taken in a continuous period at the end of existing entitlements to family-related leave and pay, e.g. Maternity or Paternity Leave?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**Please provide reasons for your answer.**

### Notice and evidence requirements

For other types of family-related entitlements, employees are required to provide notice to their employer in order to take statutory leave and to claim statutory pay.

For Maternity and Paternity Leave, parents are required to notify their employer that they wish to take these entitlements by the 15th week before the expected week of childbirth. In all but the most premature cases, an employer will already be aware that the parent is intending to take a period of leave from work to coincide with the arrival of a new baby or babies.



It is unlikely that parents will know before the point of childbirth that their new baby or babies will require admission to neonatal care – and it may not be immediately clear how long the stay in neonatal care is expected to last.

Nonetheless, it is important that employers are given as much certainty as is practicable in these circumstances to enable them to plan contingencies for the employee's absence and ensure business continuity. Although the needs of employers must be balanced against parents' needs for compassion and flexibility at this difficult time.

The question of notice is particularly relevant to fathers/partners taking Neonatal Leave at the end of Paternity Leave, when it is likely that the baby will still be in hospital, and so the number of weeks of Neonatal Leave needed will only emerge on a week-by-week basis. Whereas mothers will take Neonatal Leave and Pay at the end of Maternity Leave (up to 52 weeks), when the baby is likely to have been discharged from hospital.

As the baby's prognosis is likely to change over time, and the exact length of stay in neonatal care cannot be known in advance, it may also be important to consider how parents communicate with their employers to keep them informed of how many weeks of Neonatal Leave they are likely to need.

We propose that a parent's entitlement to Neonatal Leave and Pay will arise after a continuous period in neonatal care of two weeks from birth. If this is to be the case, this might be the appropriate point at which the parent should be required to notify their employer of the baby's situation and the likely length of its stay in neonatal care. Alternatively, it might be possible – or indeed preferable – to do this at an earlier point.

**12. Do you agree that a father/partner should be required to give notice in advance of the end of their other statutory leave entitlement to Paternity Leave in order to take Neonatal Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please provide reasons for your answer.**

**13. Do you agree that a mother should be required to give notice in advance of the end of her other statutory leave entitlement to Maternity Leave in order to take Neonatal Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please provide reasons for your answer.**

**14. What would be a reasonable notice period for Neonatal Leave:**

**a) For fathers/partners taking Neonatal Leave at the end of Paternity Leave?**

- 2 weeks
- 1 week
- Less than 1 week
- Other

**b) For mothers taking Neonatal Leave at the end of Maternity Leave?**

- Less than 4 weeks
- 4-8 weeks
- More than 8 weeks
- Notice that should be given as soon as baby discharged from neonatal care
- Notice should be given at point baby admitted to neonatal care

Please provide reasons for your answers.

**15. What level of communication could be expected between a father/partner wishing to take Neonatal Leave at the end of Paternity Leave on a week-to-week basis while the baby is in hospital and their employer?**

- Employer should be kept informed on a weekly basis
- Communication should be light-touch, and only when new information is available
- No requirement to communicate with employer

*Evidence of entitlement to Neonatal Leave and Pay*

Parents are required to provide evidence of eligibility for existing family-related leave and pay rights in some instances, for example this is typically the case for statutory payments such as Statutory Paternity Pay or Statutory Shared Parental Pay.

In other instances, although employees are not required to provide evidence initially, an employer can request such evidence if they choose, for example for Paternity Leave or Adoption Leave.

Giving parents access to more time off work could be open to abuse, particularly as Neonatal Leave and Pay would be an entitlement to, potentially, a significant number of weeks of paid leave. To address this, the government believes that employers should be able to ask for evidence of entitlement.

In requesting evidence, employers would be expected to set out how they are going to handle the information being requested, and whether they have a good reason to retain that information, taking data protection requirements into consideration.

We recognise that the need to guard against fraud needs to be balanced against the sensitivity of the situation and the challenging circumstances that the parent will already be facing.

Furthermore, it must be considered that mothers and fathers/partners may be taking Neonatal Leave and Pay at different times and so, depending on when the entitlement is taken, different types of information might be available to each parent.

- 16. Do you agree that employers should be allowed to ask for evidence of entitlement to Neonatal Leave and Pay:**
- a) **From fathers and partners taking Neonatal Leave and Pay at the end of Paternity Leave?**
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
  - Don't know
- b) **From mothers taking Neonatal Leave and Pay at the end of Maternity Leave?**
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
  - Don't know
- c) **If you agree or strongly agree, what evidence would it be reasonable for an employer to request?**

### Employment protections and the right to return to the same job

The government proposes that a parent who is on Neonatal Leave should have equivalent employment protections as a parent would have under the current right to parental leave in respect of older children, including the right to not be treated unfavourably, or to be dismissed because they are taking, or are seeking to take, Neonatal Leave.

We also propose that employees on Neonatal Leave should have rights to return similar to those that apply to employees returning from parental leave taken in respect of older children. This means that in certain circumstances, an employee may have the right to return to the same job they were employed in before their absence.

- 17. Do you agree that parents on Neonatal Leave should have the same protections as employees on parental leave in respect of older children?**
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
  - Don't know

Please provide reasons for your answer.

- 18. Do you agree that parents on Neonatal Leave should have the same right to return to work as employees on parental leave in respect of older children?**
- Strongly agree

- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**Please provide reasons for your answer.**

## Costs

The government is preparing an Impact Assessment to inform respondents' consideration of these consultation proposals. The final costs to the Exchequer and business will ultimately depend on any constraints we apply around eligibility for the new entitlement to Neonatal Leave and Pay and any constraints that we apply to the length of Neonatal Leave and Pay and/or the rate of pay.

Our provisional estimates of the costs are outlined below. These assume that parents will only be eligible for Neonatal Leave and Pay if their baby or babies are in neonatal care for at least two weeks (Table 1) or four weeks (Table 2). Costs are higher for the two-week qualifying period option as this lower threshold makes the eligible population bigger.

We have assumed a 100% take-up rate for both parents, but the costs are highly sensitive to our take-up assumptions.

We have also assumed that the length of Neonatal Leave and Pay that is available to parents will be capped. Option 1 assumes that the total number of weeks of Neonatal Leave and Pay that are available is capped at two weeks; Option 2 at four weeks; Option 3 at six weeks; and Option 4 at twelve weeks.

**Table 1: Exchequer and Business (Absence costs) based on two week qualifying period.**

Option	Exchequer	Absence (Business costs)
<b>Option 1</b>	High single figure millions	Medium single figure millions
<b>Option 2</b>	Low tens of millions	High single figure millions
<b>Option 3</b>	Low tens of millions	Low tens of millions
<b>Option 4</b>	Low tens of millions	Low tens of millions

**Table 2: Exchequer and Business (Absence costs) based on four week qualifying period.**

Option	Exchequer	Absence (Business costs)
<b>Option 1</b>	Low single figure millions	Low single figure millions
<b>Option 2</b>	Medium single figure millions	Medium single figure millions
<b>Option 3</b>	Low tens of millions	High single figure millions
<b>Option 4</b>	Low tens of millions	Low tens of millions

### 3. Transparency: Flexible working and family-related leave and pay policies

*This chapter sets out measures which aim to complement the government's aims and objectives set out in chapter 1 and to improve access to flexible working for all. It looks specifically at measures to enable job applicants and existing employees to make more informed decisions about job opportunities and access the flexibilities they may need to stay in the labour market.*

The chapter asks questions about:

- Employers publishing their family related leave and pay and flexible working policies;
- Whether there should be a requirement for employers to consider advertising jobs as flexible.

Please respond to the questions in this chapter by **11 October 2019**.

#### Introduction

The government believes that more needs to be done to improve clarity, certainty and understanding of employers' policies if we are to maintain and increase momentum on closing the gender pay gap. This is also important to enable people to achieve more choice and flexibility to balance their commitments in and outside of the workplace.

There are a range of employee rights and employer obligations in place which help employees achieve more control and balance in their commitments. Employees with more than 26 weeks' service have the right to request flexible working. An employer can only reject a statutory request when there are solid business reasons to do so. Many employers also offer informal flexible working, where they agree working patterns and hours of work outside the statutory scheme, often temporarily. Despite the existence of the statutory right, prospective employees may not be aware of what the employer's approach to flexible working is.

Many employers also go beyond the statutory minima when it comes to family-related leave and pay and provide enhanced contractual entitlements and top up statutory pay at their own expense. Yet, job applicants and existing employees are often unaware of the fact that their employers' offer is more generous than the statutory schemes.

This is why in October 2018, the government made a commitment to consider creating a duty for all employers to assess whether a job can be done flexibly and make that clear when advertising; and to consult on requiring employers with more than 250 employees to publish their parental (family-related) leave and pay policies to align with the overarching approach to gender pay gap reporting. This chapter consults on ways to encourage employers to be more transparent about their approach to flexible working and to parental leave policies.

## Publishing family-related leave and pay and flexible working policies

If a requirement to publish family-related leave and pay and flexible working policies was introduced, large organisations might be required to provide a link to the relevant policies on their website. As the purpose of the requirement is to achieve greater transparency, we believe that this should be the case whether their offer exceeded the statutory minima or not. Where the offer does not exceed the statutory, a simple statement should suffice.

**1. Do you agree that large employers (250+ employees) should publish their family-related leave and pay policies on their website?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please give reasons for your answer.

**2. Do you agree that large employers (250+ employees) should publish their flexible working policies on their website?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please give reasons for your answer.

**3. Do you agree that transparency of these policies will help employers to recruit and retain staff?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please give reasons for your answer.

**4. Do you agree that, where the employer has a policy on family-related leave and pay which extends the statutory minima, reworking and publishing an internal policy document on a public-facing website would be simple and inexpensive?**

- Strongly agree
- Agree
- Neither agree nor disagree

- Disagree
- Strongly disagree
- Don't know

Please give reasons for your answer.

5. Do you agree that, as for family related leave and pay, reworking and publishing a flexible working policy on a public-facing website would be simple and inexpensive?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please give reasons for your answer.

In considering the value of the information organisations might publish, it is important to know what information people would find most useful.

6. How helpful would the following information be if it was held (and viewable) on a central database – for instance the Gender Pay Gap Reporting Portal:

a) Whether flexible working may be available from the start

- Very helpful
- Quite helpful
- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

b) Approach to place, hours and times of work

- Very helpful
- Quite helpful
- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

c) Approach to informal flexible working (such as later starts to accommodate health and other appointments)

- Very helpful
- Quite helpful
- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

**d) Enhancements to different types of family-related leave and pay, for example: Maternity Leave and Pay; Paternity Leave and Pay; Adoption Leave and Pay; Shared Parental Leave and Pay; parental leave taken in respect of older children; or, any other contractual enhancements to family-related leave and pay.**

- **Very helpful**
- **Quite helpful**
- **Neither helpful nor unhelpful**
- **Not very helpful**
- **Not at all helpful**
- **Don't know**

**Please give reasons for your answers.**

**7. To what extent do you believe that a job applicant's decision on whether to apply for a job would depend on the publication of the information mentioned above?**

- **A lot**
- **Somewhat**
- **Not at all**

**Please give reasons for your answer.**

## **A requirement to report or a voluntary approach?**

Greater transparency around what is on offer could allow individuals to take a view on whether a particular job is right for them. It should also make for a more effective recruitment process.

While many employers embrace flexible working and family-friendly policies, others have yet to recognise the benefits. As a result, job applicants (including those who already work in an organisation in another role) are required to ask about relevant policies at interview. Many are reluctant to do so for fear of being discriminated against. One way of dealing with this might be to introduce a statutory requirement for large employers to publish their policies.

There are already a number of mandatory reporting regimes in place, including gender pay gap reporting (mandatory for all large businesses, i.e. those with 250+ employees). These provide incentives on businesses to take action to improve their performance, so we are mindful of introducing additional regulation without testing a voluntary approach in the first instance – particularly given the impact the reporting requirement alone appears to be having in raising the profile of these issues.

However, the potential for change to be driven by greater transparency around existing policies should also be weighed against the potential stimulus for change which an action plan might provide. Around 50% of large employers already voluntarily supplement their gender pay gap information with a narrative or an action plan, which sets out the steps they are taking to narrow the gap. It may be that a dynamic action plan is a more effective way of driving cultural change also on this issue.



**8. How effective do you believe a voluntary approach to encourage greater transparency about an organisation's approach to flexible working and family-related leave and pay (e.g. through the Gender Pay Gap Reporting Portal) might be in providing information about employers' policies?**

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

**Please give reasons for your answer.**

**9. How effective do you believe creating a facility on the Gender Pay Gap Reporting Portal on GOV.UK to record details about an organisation's policies on flexible working and family related leave and pay would be:**

**a) To provide a central point of information for employees or prospective employees?**

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

**b) To let employers record the information as a part of the annual cycle of Gender Pay Gap Reporting?**

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

**Please give reasons for your answers.**

**10. How effective do you believe it might be to encourage employers to set out how they are using greater transparency about their employment policies as part of their gender pay gap action plans?**

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

**Please give reasons for your answer.**

**11. Do you agree that it would make sense to enforce a reporting requirement of this kind in the same way as gender pay gap reporting (i.e. a requirement to provide this information as part of the gender pay gap reporting process)?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please give reasons for your answer.**

## A requirement to say whether jobs may be open to flexible working in the advert

If employers were to be required to say in a job advert whether flexible working was available, there would be a need to strike a balance between what information it was practical to provide, and what a candidate would find helpful.

**12. Thinking about the balance between what it is practical to provide in a short job advert and what is useful to a candidate, which of the following is the best option (please select one)?**

- A simple statement (such as “Happy to Talk Flexible Working”)
- A short statement covering the organisation’s approach to place, hours and times (e.g. “core hours”) of work
- A simple statement and a link to a published policy
- A short statement covering the organisation’s approach to place, hours and times of work and a link to a published policy
- Other (please set out)

**Please give reasons for your answer.**

If a such a requirement was introduced, it would need to be backed up by an effective and proportionate means of enforcement.

**13. If a requirement was introduced to state in job adverts whether flexible working may be available or not:**

- a) Who might the enforcement power sit with? Please describe.**
- b) What should be the process for reporting a breach? Please describe.**
- c) What should be the penalty for a breach? Please describe.**

Saying whether flexible working is an option in the job advert only goes so far – we would not know how many jobs are being advertised as open to flexible working and which employers do so.

**14. If a requirement to provide a link to your flexible working policy on the gender pay gap reporting portal was introduced, do you agree that it would be helpful also to ask employers to record whether they had advertised jobs as open to flexible working?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**Please give reasons for your answer.**

## Next steps

We will consider responses to [Chapter 1](#) (Parental Leave and Pay: supporting parents and achieving equality) in tandem with the evidence collected through the evaluation of Shared Parental Leave and Pay.

# Annexes

## Annex 1: Policy objectives of parental leave and pay – detail

### Paternal involvement in childcare

Evidence suggests that a father's involvement in childcare in the early years can improve the quality of family life<sup>61</sup> and be beneficial for children's development.<sup>62</sup> The positive effects that have been observed in children include: better peer relationships; fewer behavioural problems; lower criminality; higher educational and occupational mobility; higher self-esteem and higher educational outcomes by age 20. There is also some evidence to indicate that fathers who are engaged in caring for their children in the early years of their life are more likely to remain engaged in childcare throughout the child's life.<sup>63</sup> This, in turn, can have a positive impact on household division of caring responsibilities, however the evidence of this is limited.<sup>64</sup>

Anecdotal evidence suggests a growing number of fathers say they want to spend more time with their children. In the last 20 years, we have seen a shift to fathers taking on more childcare responsibilities, supported by policies such as Shared Parental Leave and parental leave taken in respect of older children.

The number of fathers with young children who are making use of flexible working is increasing and part-time working among fathers of young children almost doubled from 3.9% in 1997 to 6.9% in 2017 but most fathers in employment still work full-time.<sup>65</sup> In addition to the statutory right to request flexible working, many employers are happy to agree informal flexible working either for a time limited period or indefinitely. But the proportion of fathers with young children working part-time is also still well below the proportion of women with young children working part-time. Generally, the rate of men with young children working full-time has remained stable. Overwhelmingly, employment rates among fathers of young children is substantially less affected by parenthood compared with mothers of young children. ONS data suggests that in April to June 2018, almost six in ten mothers (58.2%) whose youngest dependent child was aged three to four years worked less than 30 hours a week.

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<sup>61</sup> The Fatherhood Institute, (2017). Cash or Carry? Fathers combining work and care in the UK [pdf]. Available at: [www.fatherhoodinstitute.org/wp-content/uploads/2017/12/Cash-and-carry-Full-Report-PDF.pdf](http://www.fatherhoodinstitute.org/wp-content/uploads/2017/12/Cash-and-carry-Full-Report-PDF.pdf).

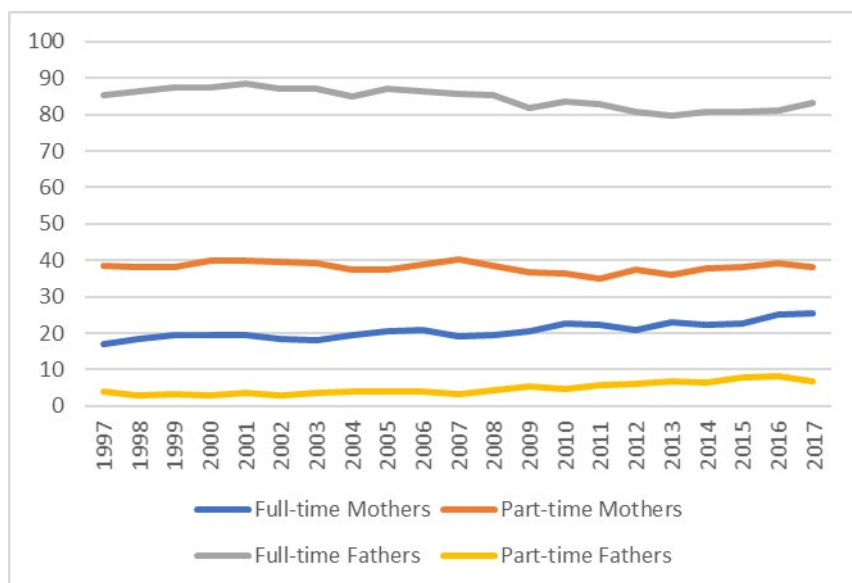
<sup>62</sup> The Fatherhood Institute, [undated]: Why paternity leave matters for young children [pdf]. Available at: [www.fatherhoodinstitute.org/wp-content/uploads/2014/11/Why-paternity-leave-matters-for-young-children.pdf](http://www.fatherhoodinstitute.org/wp-content/uploads/2014/11/Why-paternity-leave-matters-for-young-children.pdf).

<sup>63</sup> Norman, H., Fagan, C., & Elliot, M., (2017). How can policy support fathers to be more involved in childcare? Evidence from cross-country policy comparisons and UK longitudinal household data. London: Women and Equalities Committee.

<sup>64</sup> Patnaik, A., (2014). Reserving Time for Daddy: The Long- and Short-Run Consequences of Fathers' Quotas, Cornell University.

<sup>65</sup> ONS, (2017). More mothers with young children working full-time [online]. Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/moremotherswithyoungchildrenworkingfulltime/2017-09-26](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/moremotherswithyoungchildrenworkingfulltime/2017-09-26).

### Percentage of mothers and fathers with a youngest child aged three or four years old, who are in full-time and part-time employment, England, 1997 to 2017



Source: ONS Labour Force Survey

### Fathers are working more hours than mothers

For fathers, the usual hours worked (excluding overtime) remain more or less consistent regardless of the age of the youngest dependent child. In April to June 2018, more than 9 in 10 fathers (93.2%) in England worked 30 or more hours a week in their main job, compared with half (50.5%) of mothers. The majority (69.7%) of women without dependent children worked 30 or more hours in their usual working week (excluding overtime).<sup>66</sup>

### More choice and flexibility for working families

Shared Parental Leave and Pay was introduced in 2015 to give parents more choice and flexibility around which of them cares for their child in the first year and when. The scheme is intended to help create a culture where both working parents can better balance work with their home life and share responsibility for the crucial early parenting period. It enables eligible parents to share up to 50 weeks of leave and up to 37 weeks of pay. The scheme can be used by parents to take up to six months off work together if they wish; or alternatively to stagger their leave and pay so that one of them is always at home with their child in the first year.

The introduction of Shared Parental Leave reflects the direction of long-term changes in attitudes towards gender roles. NatCen’s British Social Attitudes Survey shows that in 2012 around a fifth of the British public said that a working couple with a new born child should divide their leave equally. More recent updates suggest this figure has increased over time to around a third.<sup>67</sup>

<sup>66</sup> ONS, (2018). Families in the labour market: 2018 [online], Office for National Statistics. Available: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2018](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2018)

<sup>67</sup> Jones, H., Nancy, K., Rantanen, K. (2019). ‘Women and work’ in Curtice, J., Clery, E., Perry, J., Phillips M. and Rahim, N. (eds.) (2019), British Social Attitudes: The 36th Report [online], London: The National Centre for Social Research. Available at: [www.bsa.natcen.ac.uk/media/39297/4\\_bsa36\\_women-and-work.pdf](http://www.bsa.natcen.ac.uk/media/39297/4_bsa36_women-and-work.pdf)

## Take-up of Shared Parental Leave and Pay

At the time of introduction, the government estimated that take-up for the scheme in the initial years would be low (between two percent and eight percent). This is because it will take time to change the cultural attitudes towards the respective roles of men and women at home and at work which are ingrained in our society. Information provided by employers to HM Revenue and Customs in respect of claims for Statutory Shared Parental Pay suggests that take-up is broadly in line with these estimates. Nevertheless, there were over 10,700 claimants in 2018/19, an increase of 15% on 2017/18. The data also shows that:

- Almost 80% of claimants are men;
- Over two-thirds are aged between 30 and 39; and
- Higher-income employees are over-represented with over a half of all recipients in 2018/19 earning above £30k in the preceding year.

We are currently evaluating the scheme and expect to report later this year (2019). The evaluation will provide an estimate of awareness and take-up; look at the barriers and enablers to take-up; and examine how the scheme is being used by employers and parents in practice. As part of the evaluation of Shared Parental Leave and Pay we are collecting information from a variety of sources including:

- A representative survey of over 3,500 parents from across Great Britain;
- A representative survey of around 2,000 employers from across Great Britain;
- Qualitative research with employees and employers;
- HMRC data on recipients of Maternity, Paternity and Shared Parental Pay; and
- A module of questions on attitudes towards shared parenting in the British Social Attitudes Survey.

We will also be holding roundtable meetings with groups representing parents and groups representing business and employers once we have a fuller picture of the barriers and enablers to take-up.

## Maternal participation

The government believes it is right to ensure that women who need to take time away from the workplace because of pregnancy and childbirth are able to take the time off that they need. It is right that they are adequately protected and provided for before the birth and for a suitable period afterwards. Maternity Leave and Pay are provided explicitly for the purposes of enabling employed expectant and new mothers to prepare for and recover from birth and bond with their child (including breastfeeding). However, we also believe it to be important that mothers who are on Maternity Leave can return to work early - whether for financial, professional or personal reasons - if they wish.

### *More women getting into work*

The UK female employment rate is at a joint record high.

Female unemployment is down by 400,000 since 2010 – a joint low with 1971.

There are now around 1.2 million women-led businesses.

There are more women on the FTSE 100 and FTSE 350 boards.

The UK gender pay gap is at a record low.

The government has repeatedly increased the National Living Wage, with women among the biggest beneficiaries of this.

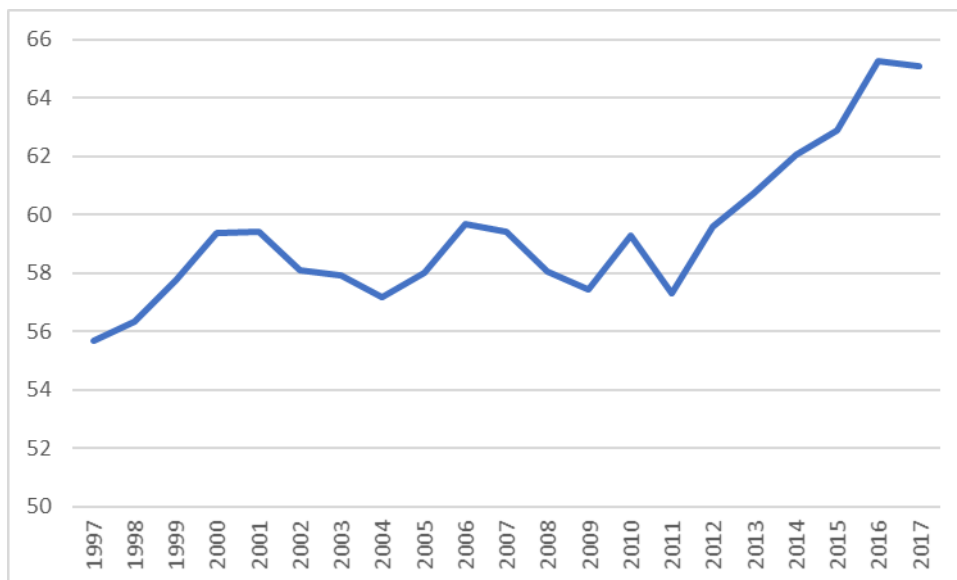
We have also recently consulted on measures to extend the employment right protections that apply to women on Maternity Leave and parents on Shared Parental Leave to the period after they return to work.

**But female participation in the labour market is predominantly part-time.**

## Female employment

In April 2019, the employment rate for women in the UK was 72.0% - the highest on record. Lower rates of employment are typically seen for mothers - particularly mothers whose youngest dependent child is aged four years or under - but we have also seen an increase in the number of mothers of younger children who are working since 2011.

### **Percentage of mothers with a youngest child aged three or four years old who are in employment, England, 1997 to 2017**



The rise in overall employment for mothers has been driven mainly by an increasing number working in full-time employment. The proportion of mothers working part-time when they have young children has remained relatively static (although it remains much higher than those working full-time).

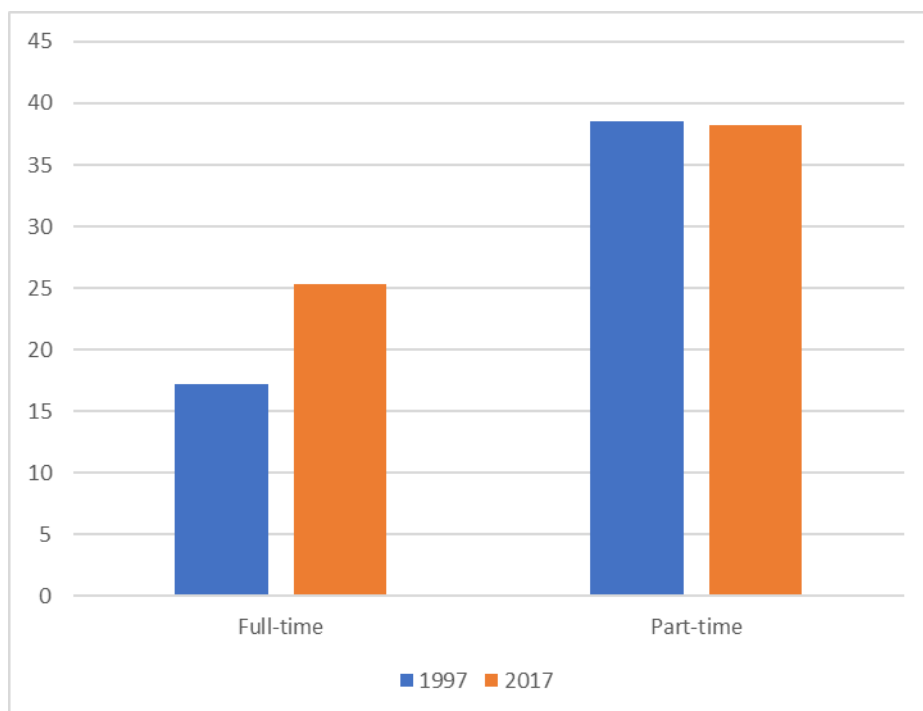


Employment rates for mothers begin to rise when the youngest dependent child reaches the age of four. In contrast, the employment rates for fathers appear to be relatively unaffected by the age of their youngest dependent child.

Whilst the majority of mothers whose youngest child is under one report that they are in full-time employment. The most likely reason for this is that they were on Maternity Leave or Shared Parental Leave (i.e. they have not had to reduce their hours of work for childcare reasons at this point). Mothers with children aged between one and eleven years are more likely to be in part-time employment than full-time employment.

The proportion of mothers working full-time increases with the age of their youngest child. Less than one-quarter (24.1%) of mothers with a child aged one year worked full-time in 2018, compared with 46.3% of mothers with the youngest child aged 18 years. In addition, the gap in participation rates for women with and without children has been steadily decreasing since 1996.<sup>68</sup>

### Percentage of mothers with a youngest child aged three or four years old, who are in full-time and part-time employment, England, 1997 and 2017



**More mothers of young children are now working full-time, but participation among this group is still predominantly part-time in nature.**

Employment of mothers with three and four-year olds has increased by almost ten percentage points in the past two decades. 65% of mothers in England whose youngest child is a toddler are now employed, compared to 55.8% in 1997. This change was largely driven by an increase in full-time employment.

<sup>68</sup> ONS, (2015). Participation rates in the UK – 2014 – 2. Women [online], Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/compendium/participationratesintheuklabourmarket/2015-03-19/participationratesintheuk20142women](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/compendium/participationratesintheuklabourmarket/2015-03-19/participationratesintheuk20142women)

## Pregnancy and maternity discrimination

Pregnancy and maternity are protected characteristics which essentially means that it is against the law to discriminate against a woman because she is pregnant or on Maternity Leave. Nonetheless, research commissioned by the Department for Business, Energy and Industrial Strategy<sup>69</sup> and the Equality and Human Rights Commission (EHRC) in 2016 found that three in four mothers (77%) said they had a negative or possibly discriminatory experience during pregnancy, maternity leave, and/or on return from Maternity Leave. Around one in nine mothers (11%) reported they felt forced to leave their job.<sup>70</sup>

A 2017 survey conducted by the Equality and Human Rights Commission (EHRC) found that around a third of private sector employers agreed that it was reasonable to ask women about their plans to have children in the future during recruitment.<sup>71</sup> This shows that business attitudes can be slow to change and the potential for discrimination persists at all stages of a mother's employment journey. The government has recently consulted on proposals for extending redundancy protection for new and expectant mothers and will respond in due course. Policies that encourage more men to take parental leave may also help address discrimination against women, as childcare will no longer be seen as exclusively a women's issue.

## The gender pay and employment gaps

Whilst female participation rates have risen in recent years, there are still significant gender pay and employment gaps between men and women.<sup>72</sup> There is clear evidence that both of these gaps open up around the age of childbearing and never close. This is sometimes referred to as the 'motherhood penalty'. This relationship has been shown to be causal<sup>73,74</sup> as women who have children are more likely to: leave employment; reduce their hours of work; move into lower paid roles; and move into roles which are not commensurate with their qualifications and experience. In short, it appears that mothers are trading-off pay and career progression for increased flexibility.

Differences between men and women's participation accounts for around 40% of the Gender Pay Gap,<sup>75</sup> as having fewer years of full-time work experience has a negative impact on

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<sup>69</sup> At that time, the Department for Business, Innovation and Skills.

<sup>70</sup> HM government, (2016). Pregnancy and Maternity-Related Discrimination and Disadvantage: Summary of key findings [pdf], London: Department for Business, Innovation and Skills and the Equality and Human Rights Commission. Available at: [www.gov.uk/government/collections/pregnancy-and-maternity-related-discrimination-and-disadvantage](http://www.gov.uk/government/collections/pregnancy-and-maternity-related-discrimination-and-disadvantage)

<sup>71</sup> EHRC, (2018). Employers in the dark ages over recruitment of pregnant women and new mothers [online], London: Equality and Human Rights Commission. Available at: [www.equalityhumanrights.com/en/our-work/news/employers-dark-ages-over-recruitment-pregnant-women-and-new-mothers](http://www.equalityhumanrights.com/en/our-work/news/employers-dark-ages-over-recruitment-pregnant-women-and-new-mothers)

<sup>72</sup> The gender pay gap is the difference between average hourly earnings (excluding overtime) of men and women expressed as a proportion of average hourly earnings (excluding overtime) of men's earnings. For example, a 4.0% gender pay gap denotes that women earn 4.0% less per hour, on average, than men.

<sup>73</sup> Blundell, R., Dias, M. C., Meghir, C. and Jonathan M. S., (2016). Female labour supply, human capital and welfare reform, *Econometrica*, [online], volume 84 (5) p. 1705-1753. Available at: [www.ucl.ac.uk/~uctp39a/BDMS\\_Ecta\\_Sept\\_2016.pdf](http://www.ucl.ac.uk/~uctp39a/BDMS_Ecta_Sept_2016.pdf)

<sup>74</sup> Paull, G., (2006). The Impact of Children on Women's Paid Work, *Fiscal Studies* [online], volume 27(4), p. 473-512. Available at: <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1475-5890.2006.00043.x>

<sup>75</sup> Olsen, W., Gash, V., Kim, S., Zhang, M., et al, (2018). The gender pay gap in the UK: evidence from the UKHLS. London: Government Social Research. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/706030/Gender\\_pay\\_gap\\_in\\_the\\_UK\\_evidence\\_from\\_the\\_UKHLS.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/706030/Gender_pay_gap_in_the_UK_evidence_from_the_UKHLS.pdf)

women's career prospects and pay progression.<sup>76</sup> Three out of four people in part-time work are women (c.40% of women work part-time compared to c.13% of men). Moreover, more than nine in ten mothers in part-time work say that they do not want a full-time job.<sup>77</sup> Data collected by the ONS shows that of women between the ages of 30-39 who are working, only 61% of the work they do is on a full-time basis. The percentage of women in full-time work drops to 58% for women aged between 40-49.

**The move of women into part-time employment following birth is associated with a long-term negative effect on their pay.**

In addition, analysis carried out by the ONS<sup>78</sup> shows that between April and June 2018, almost half (47.8%) of all mothers worked in the public administration, education and health industry sectors, compared with 42.3% of women without dependent children. The ONS suggest that this is potentially due to a perception of higher flexibility and family friendly policies in parts of this industry. In comparison with women, only 16.7% of fathers and 15.8% of men without dependent children worked in this industry.

### *Returners*

The government has announced a £5 million fund to support people to return to work who left to take on caring responsibilities. We have also launched a £1.5 million fund to support parents and carers back into work in the private sector, with extra funding to support those who face additional barriers such as people who speak little English or have been victims of domestic abuse.

Of the other factors that contribute to the Gender Pay Gap, ONS analysis suggests that 23% of the difference between men and women's hourly pay is accounted for by occupational segregation.<sup>79</sup> This means that women tend to be concentrated in certain sectors – in the UK, women cluster in the '5Cs' – cleaning, catering, caring, cashiering and clerical work – whereas men occupy a much wider range of jobs.

Working patterns, and the fact that men are much more likely to work full-time than women, account for over 9% of the difference in hourly pay between men and women. But there is still a gender pay gap when full-time women's pay is compared to that of men working full-time. Between 2011 and 2017, the average hourly pay rate for men has grown from £13.12 to £14.48 per hour (an increase of 10.4%) while the average hourly pay rate for women has grown from £11.75 to £13.16 per hour (an increase of 12.0%).

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<sup>76</sup> WESC, (2016) Gender Pay Gap, Second Report of Session 2015–16 [online]. House of Commons: Women and Equalities Committee. Available at:

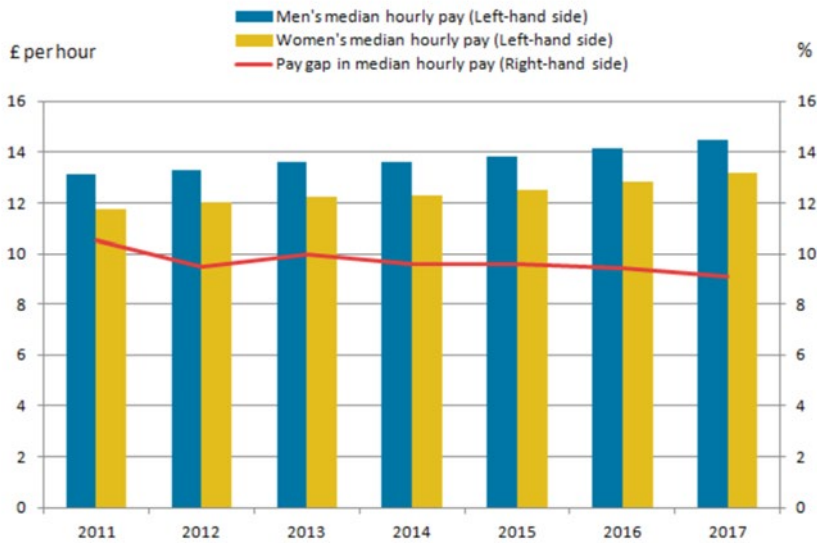
<https://publications.parliament.uk/pa/cm201516/cmselect/cmwomeq/584/584.pdf>

<sup>77</sup> ONS, (2017) Families and the labour market, England: 2017 [online], Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2017#over-9-in-10-mothers-in-part-time-work-do-not-want-a-full-time-job](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2017#over-9-in-10-mothers-in-part-time-work-do-not-want-a-full-time-job)

<sup>78</sup> ONS, (2018). Families and the labour market, England: 2018 [online]. Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2018](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/familiesandthelabourmarketengland/2018)

<sup>79</sup> ONS, (2018). Understanding the gender pay gap in the UK [online]. Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17)

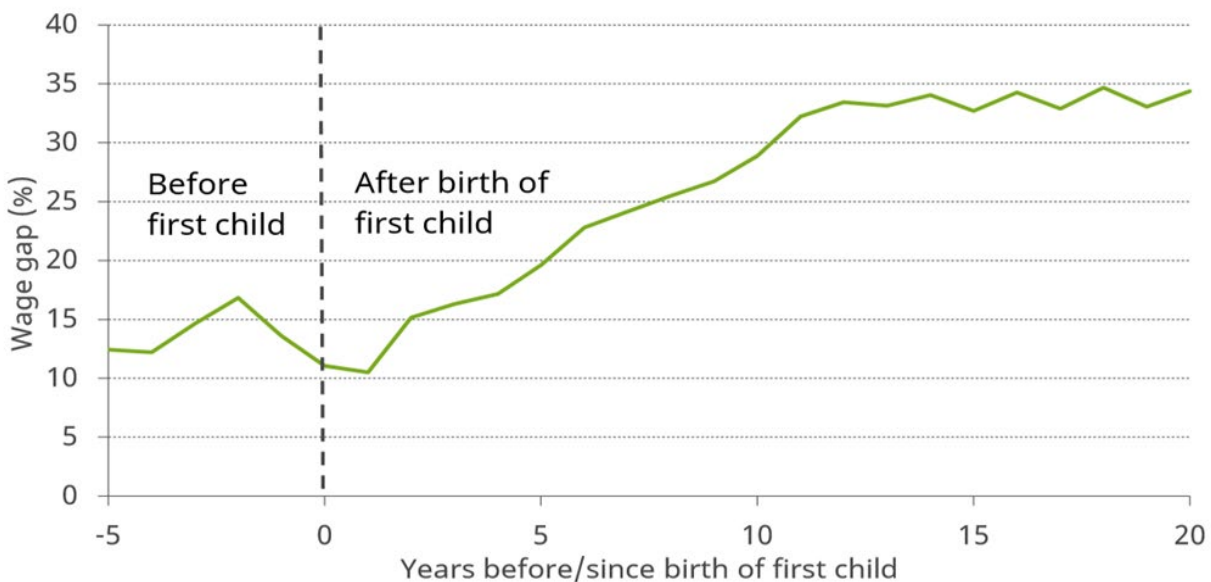
**Median gross hourly earnings (excluding overtime) for full-time employees by sex (UK 2011 to 2017)**



**Parental wage gap**

Whilst the gender pay gap for all workers is significant, the pay gap between men and women who are planning to have children widens significantly once they become parents. It progressively worsens and 20 years on from the birth of their first child, fathers can expect to earn 35% more per hour than mothers.

**Difference in average hourly rate of pay between men and women before or after the birth of a child**



## Annex 2: BEIS review of provisions for parents of premature, sick and multiple babies

Between November 2018 and the new-year, the Department for Business, Energy and Industrial Strategy (BEIS) undertook a short, focussed, internal review of provisions for parents of premature, sick and multiple babies.

The aims of the review in relation to parents were to understand:

- If and how the current entitlements to family-related leave and pay work for parents of premature, sick and multiple babies;
- The barriers that parents face in returning to or staying in the labour market; and
- What they thought could be done to improve the provisions for these parents - with a focus on improving labour market outcomes.

In relation to employers, we sought to understand:

- Their views on the effectiveness of current provisions;
- The support they offer to parents in these circumstances;
- Barriers to providing further support; and
- Their views on what could be done to improve provisions - again with a focus on improving labour market outcomes.

The first phase of the review focussed on evidence-gathering. This work included a literature review; meetings with third-sector organisations representing the views of parents in this position; meetings with business representative bodies; and focus groups with a small number of parents themselves.

### Findings of the internal review

The review highlighted that the challenges faced by parents of premature, sick and multiple babies can be significant, particularly in cases where their baby or babies need neonatal care for a number of weeks or months. The review highlighted that although a baby's gestational age is a good indicator of the likely length of time spent in neonatal care, there are also other groups of babies represented in neonatal care: full-term but sick babies; and babies born as part of a multiple birth, where the chances of developmental issues or complications with pregnancy are higher.

It is therefore appropriate that the policy response focusses on parents of babies who spend a prolonged period in neonatal care, as it is in these circumstances that the greatest challenges arise and, therefore, where any extra support should be targeted.

The main issues faced by parents highlighted by the internal review were that:

- The stress and uncertainty around having a baby in neonatal care can affect the physical and mental health of both parents – which could potentially have a negative impact on the parents' personal and working lives. This stress and uncertainty can continue when the baby or babies are discharged from neonatal care, particularly where the child(ren) still requires greater levels of care than parents would normally be expected to administer, e.g. if they are still on oxygen or require other types of therapy;

- These parents and their representatives feel that the current statutory entitlements to parental leave and pay are insufficient and/or too inflexible in cases where a baby is born premature or sick;
- Uptake of current entitlements to family-related leave and pay is less than 100%. Parents reported that they had/will have to return to work sooner than planned as they faced financial hardship - particularly where fathers had taken unpaid leave from work to support the mother and child. In addition, many parents are not aware of the full suite of legal entitlements to time off work. Of the parents that we spoke to very few of them were aware they could take unpaid parental leave<sup>80</sup> immediately after they had taken Paternity, Maternity or Shared Parental Leave;
- Parents of premature, sick and multiple babies incur significant 'ad hoc' expenses in connection with having a baby in neonatal care for a prolonged period (information available suggests this is around £2,250 for an 8-week stay); and
- There is variation in the levels of support provided by employers, both when the parents are on parental leave and when they have returned to work but are juggling work with childcare responsibilities - including hospital appointments.

Following this, and in light of the evidence gathered, the second phase of the internal review focussed on developing options for further support for parents of premature, sick and multiple babies. This involved a careful consideration of the various options' compatibility with existing entitlements to family-related leave and pay and the legal framework within which these operate. This work has informed the proposals presented in the chapter on Neonatal Leave and Pay.

### Actions following the internal review

The chapter on Neonatal Leave and Pay proposes a new statutory leave and pay entitlement to 'Neonatal Leave and Pay' for parents of babies who require or required neonatal care. This is in response to the evidence we have gathered so far which suggests that current leave and pay entitlements do not adequately support parents of babies who spent prolonged periods in neonatal care.

There are several additional areas of work being taken forward in response to the other findings of the internal review:

- The NHS Long-Term Plan<sup>81</sup> sets out how the government will improve the experiences of families during the worrying period of neonatal critical care. From 2021/22, care coordinators will work with families within each of the neonatal operational delivery networks across England to support families to become more involved in the care of their baby. We will also seek to invest in improved parental accommodation so that families can stay close to their sick baby;
- To address variation in employer support, the Department for Business, Energy and Industrial Strategy is working with the Advisory, Conciliation and Arbitration Service (ACAS) to update existing employer guidance on supporting parents with premature and sick babies to reflect insights gained from the internal review; and

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<sup>80</sup> Referred to elsewhere in this document as 'parental leave taken in respect of older children'.

<sup>81</sup> NHS, (2019). The NHS Long Term Plan [online]. Available at: [www.longtermplan.nhs.uk/publication/nhs-long-term-plan/](http://www.longtermplan.nhs.uk/publication/nhs-long-term-plan/)

- We are also exploring options for producing specific employee-facing guidance to plug gaps in parents' understanding of their employment rights.

These areas of work are already in train and therefore do not need to be covered in this consultation.

# Consultation questions

## 1. Parental Leave and Pay

1. **What emphasis should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave available?**
2. **What impact would changing either leave or pay have on our policy objectives?**
3. **How should the costs of providing Paternity Leave and Pay be apportioned between government, employers and parents?**
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)?**
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?**
6. **Should the level of reimbursement for employers vary according to their size (as now)?**
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?**
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?**
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?**
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.**
11. **Should there be a dedicated pot of leave and pay for each parent within the Shared Parental Leave and Pay scheme?**
12. **Should mothers continue to be the 'gatekeeper' for the Shared Parental Leave and Pay scheme?**
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?**



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 impacts across families with different characteristics (e.g. families from different socio-economic groups or cultural backgrounds)?**
15. **Should support vary according to family characteristics, including income levels?**
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?**
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?**
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?**
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.**
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?**
21. **Are there any other reforms to parental leave for older children that would support the government’s wider goals for parental leave policies?**
22. **Do you agree with the government’s objectives for parental leave and pay policies?**
23. **Do you think the government should consider a more radical change – potentially moving to a single ‘family’ set of leave entitlements, or seek to reform the existing entitlements?**
24. **If we were to move to a new model for parental leave and pay, which areas for reform are most important? Please give a reason for your answer. In particular:**
  - a) **Is more support needed for families around the time of the birth of a child or later, when the child is older?**
  - b) **Should any incentives for fathers to take more responsibility for childcare focus on: a specific paternity entitlement; changes to the Shared Parental Leave and Pay scheme; or parental leave for older children?**
  - c) **Should the government give greater priority to the length of leave available or to the pay enhancements available?**

- d) **Should support be directed to any particular groups of families? If so which groups, and how?**
  - e) **How should the costs of any reforms fall between families, the government and business? Please provide reasons for your answer.**
25. **Should government prioritise reform of parental leave policies over other government policies which support parents to combine work with family life?**
26. **If you consider that the government should prioritise reform of parental leave and pay policies, which policies are most important and why?**

## 2. Neonatal Leave and Pay

1. **Do you agree with the principle that entitlement to Neonatal Leave and Pay should be restricted to the individuals who would have had the main responsibility for caring for the child following birth, had it not been admitted to neonatal care (i.e. those listed above)?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**If you disagree or disagree strongly, please specify who else you think should be entitled.**

2. **Do you agree that parents of babies who need to spend time in neonatal care should have access to additional pay and leave?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**If you disagree or strongly disagree, please provide a reason for your answer.**

3. **Do you agree that access to Neonatal Leave and Pay should be restricted to parents whose children have spent a minimum of two weeks in neonatal care, i.e. are seriously ill or likely to be in hospital for an extended period of time?**

- **Strongly agree**
- **Agree**
- **Neither agree nor disagree**
- **Disagree**
- **Strongly disagree**
- **Don't know**

**If you disagree or strongly disagree, please provide a reason for your answer.**

- 4. If you agree that access to Neonatal Leave and Pay should be restricted to parents whose babies are most seriously ill, after what length of time in neonatal care should the parents' entitlement to Neonatal Leave and Pay crystallise?**

- After 2 weeks
- 4 weeks
- Other

**Please provide reasons for your answer.**

- 5. Are there other circumstances that you think should be considered for inclusion within the scope of Neonatal Leave and Pay? What are they?**

**Please provide reasons for your answer.**

- 6. Do you agree that Neonatal Leave should be a 'day one right' in line with Maternity Leave, Adoption Leave and Parental Bereavement Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please provide reasons for your answer.**

- 7. Do you agree that the qualifying period of service for Statutory Neonatal Pay should mirror the qualifying period of Statutory Paternity and Shared Parental Pay?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please provide reasons for your answer.**

- 8. Do you agree that the entitlement to Neonatal Leave should be capped?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please provide reasons for your answer.**

a) If you agree that the number of weeks of Neonatal Leave that are available to parents should be capped, what is the optimal maximum number of weeks of Leave that should be available?

- 2 weeks
- 4 weeks
- 6 weeks
- 12 weeks
- Other

Please provide reasons for your answer.

9. Do you agree that the maximum number of weeks of Neonatal Leave should be the same as the maximum number of Neonatal Pay in order to ensure eligible parents can receive pay throughout their leave period?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

a) If you disagree with question 9 do you agree that the number of weeks of Statutory Neonatal Pay that is available to parents should be capped?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

10. If you agree that the number of weeks of Statutory Neonatal Pay that is available to parents should be capped, what is the optimal maximum number of weeks of Pay?

- 2 weeks
- 4 weeks
- 6 weeks
- 12 weeks
- Other

Please provide reasons for your answer.

**11. Do you agree that Neonatal Leave and Pay should be taken in a continuous period at the end of existing entitlements to family-related leave and pay, e.g. Maternity or Paternity Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

**12. Do you agree that a father/partner should be required to give notice in advance of the end of their other statutory leave entitlement to Paternity Leave in order to take Neonatal Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

**13. Do you agree that a mother should be required to give notice in advance of the end of her other statutory leave entitlement to Maternity Leave in order to take Neonatal Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

**14. What would be a reasonable notice period for Neonatal Leave:**

**a) For fathers/partners taking Neonatal Leave at the end of Paternity Leave?**

- 2 weeks
- 1 week
- Less than 1 week
- Other

**b) For mothers taking Neonatal Leave at the end of Maternity Leave?**

- Less than 4 weeks
- 4-8 weeks

- More than 8 weeks
- Notice that should be given as soon as baby discharged from neonatal care
- Notice should be given at point baby admitted to neonatal care

Please provide reasons for your answers.

**15. What level of communication could be expected between a father/partner wishing to take Neonatal Leave at the end of Paternity Leave on a week-to-week basis while the baby is in hospital and their employer?**

- Employer should be kept informed on a weekly basis
- Communication should be light-touch, and only when new information is available
- No requirement to communicate with employer

**16. Do you agree that employers should be allowed to ask for evidence of entitlement to Neonatal Leave and Pay:**

**a) From fathers and partners taking Neonatal Leave and Pay at the end of Paternity Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**b) From mothers taking Neonatal Leave and Pay at the end of Maternity Leave?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**c) If you agree or strongly agree, what evidence would it be reasonable for an employer to request?**

**17. Do you agree that parents on Neonatal Leave should have the same protections as employees on parental leave in respect of older children?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please provide reasons for your answer.

**18. Do you agree that parents on Neonatal Leave should have the same right to return to work as employees on parental leave in respect of older children?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please provide reasons for your answer.**

### 3. Transparency

**1. Do you agree that large employers (250+ employees) should publish their family-related leave and pay policies on their website?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please give reasons for your answer.**

**2. Do you agree that large employers (250+ employees) should publish their flexible working policies on their website?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please give reasons for your answer.**

**3. Do you agree that transparency of these policies will help employers to recruit and retain staff?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please give reasons for your answer.**

**4. Do you agree that, where the employer has a policy on family-related leave and pay which extends the statutory minima, reworking and publishing an internal policy document on a public-facing website would be simple and inexpensive?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please give reasons for your answer.**

**5. Do you agree that, as for family related leave and pay, reworking and publishing a flexible working policy on a public-facing website would be simple and inexpensive?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**Please give reasons for your answer.**

**6. How helpful would the following information be if it was held (and viewable) on a central database – for instance the Gender Pay Gap Reporting Portal:**

**a) Whether flexible working may be available from the start**

- Very helpful
- Quite helpful
- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

**b) Approach to place, hours and times of work**

- Very helpful
- Quite helpful
- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

**c) Approach to informal flexible working (such as later starts to accommodate health and other appointments)**

- Very helpful
- Quite helpful



- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

e) Enhancements to different types of family-related leave and pay, for example: Maternity Leave and Pay; Paternity Leave and Pay; Adoption Leave and Pay; Shared Parental Leave and Pay; parental leave taken in respect of older children; or, any other contractual enhancements to family-related leave and pay.

- Very helpful
- Quite helpful
- Neither helpful nor unhelpful
- Not very helpful
- Not at all helpful
- Don't know

Please give reasons for your answers.

7. To what extent do you believe that a job applicant's decision on whether to apply for a job would depend on the publication of the information mentioned above?

- A lot
- Somewhat
- Not at all

Please give reasons for your answer.

8. How effective do you believe a voluntary approach to encourage greater transparency about an organisation's approach to flexible working and family-related leave and pay (e.g. through the Gender Pay Gap Reporting Portal) might be in providing information about employers' policies?

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

Please give reasons for your answer.

9. How effective do you believe creating a facility on the Gender Pay Gap Reporting Portal on GOV.UK to record details about an organisation's policies on flexible working and family related leave and pay would be:

a) To provide a central point of information for employees or prospective employees?

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

**b) To let employers record the information as a part of the annual cycle of Gender Pay Gap Reporting?**

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

Please give reasons for your answers.

**10. How effective do you believe it might be to encourage employers to set out how they are using greater transparency about their employment policies as part of their gender pay gap action plans?**

- Very effective
- Fairly effective
- Not very effective
- Not at all effective
- Don't know

Please give reasons for your answer.

**11. Do you agree that it would make sense to enforce a reporting requirement of this kind in the same way as gender pay gap reporting (i.e. a requirement to provide this information as part of the gender pay gap reporting process)?**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please give reasons for your answer.

**12. Thinking about the balance between what it is practical to provide in a short job advert and what is useful to a candidate, which of the following is the best option (please select one)?**

- A simple statement (such as "Happy to Talk Flexible Working")
- A short statement covering the organisation's approach to place, hours and times (e.g. "core hours") of work
- A simple statement and a link to a published policy
- A short statement covering the organisation's approach to place, hours and times of work and a link to a published policy
- Other (please set out)

Please give reasons for your answer.

- 13. If a requirement was introduced to state in job adverts whether flexible working may be available or not:**
- a) Who might the enforcement power sit with? Please describe.**
  - b) What should be the process for reporting a breach? Please describe.**
  - c) What should be the penalty for a breach? Please describe.**
- 14. If a requirement to provide a link to your flexible working policy on the gender pay gap reporting portal was introduced, do you agree that it would be helpful also to ask employers to record whether they had advertised jobs as open to flexible working?**
- Strongly agree**
  - Agree**
  - Neither agree nor disagree**
  - Disagree**
  - Strongly disagree**
  - Don't know**

**Please give reasons for your answer.**

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