

What is the current policy/legal framework?

Statutory Sick Pay (SSP) is the minimum statutory payment an employee is entitled to for periods where they are unable to work due to illness. To be eligible for Statutory Sick Pay an individual must be classed as an eligible employee and must have average weekly earnings at or above the Lower Earnings Limit (currently £123 per week). Those that are eligible are only paid from their fourth working day of sickness absence.

This means up to 1.3 million low paid workers are not eligible for Statutory Sick Pay¹ and no employee receives Statutory Sick Pay for absences less than four days. This can force people to work when they are unwell, which can lead to spreading infectious diseases at work and lower productivity for businesses.

Policy Intent

We are removing the requirement to earn at or above the Lower Earnings Limit. This will mean the lowest-paid employees will now be entitled to Statutory Sick Pay. For some lower earners, including those earning below the Lower Earnings Limit, their rate of Statutory Sick Pay will be calculated as a percentage of their earnings instead of the flat weekly rate. The Government consulted on what this rate should be and, taking into account the responses to the consultation and discussions with stakeholders, this rate will be set by the Bill at 80% of normal weekly earnings, or £118.75, whichever is lower.

We are also removing the waiting period meaning all eligible employees can receive Statutory Sick Pay from the first day of sickness absence. Together these changes will support all employees to take the time off they need to recover by providing better financial security, whilst also limiting the costs to businesses and reducing the spread of infectious diseases.

How will it work?

The Statutory Sick Pay measures included on the face of the Bill include:

- Removing the Lower Earnings Limit to make Statutory Sick Pay available to all employees regardless of their weekly earnings. The changes introduced by the Bill mean that the rate of Statutory Sick Pay will be 80% of an employee's earnings or the current flat rate (£118.75 from April 2025) whichever is lower.
- Removing waiting days from the Statutory Sick Pay system and amending the Period of Incapacity for Work, so that eligible employees are entitled to Statutory Sick Pay from their first full day of sickness absence, rather than the fourth.
- Inclusion of Statutory Sick Pay (including the current enforcement and disputes process) within a newly established single enforcement body - the Fair Work Agency.

¹ [Impact assessment: Improve access Statutory Sick Pay removing Lower Earnings Limit and waiting period](#)

Key Stats

Up to 1.3 million employees currently earn below the Lower Earnings Limit, the changes we are making will bring these individuals into eligibility for Statutory Sick Pay providing them with a form of financial security during sickness absence.²

Around 25% of all employees receive only Statutory Sick Pay during a period of sickness absence, the changes being made by the Bill mean these individuals will receive sick pay from their first day of absence.³

The cost of removing waiting days and the Lower Earnings Limit (with a percentage rate of 80%) to businesses is an additional £450 million annually, about £15 more per employee.⁴

Common questions

Will some people be entitled to less Statutory Sick Pay because of these changes?

- The removal of the waiting period means that no employees will be entitled to less SSP for the first 3-weeks of a sickness absence, which the DWP Employee Survey 2023 estimates to represent 87% of all sickness absences.⁵
- Employees, including those who may be entitled to less SSP per week than they do now, are therefore more likely to be better off overall as a result of these changes.

Why isn't the Government increasing the flat rate of Statutory Sick Pay?

- The changes we are bringing in through this Bill mean up to 1.3 million low-paid employees will now be entitled to Statutory Sick Pay and all eligible employees will be paid from the first day of sickness absence, benefitting millions of employees.
- Those who need additional financial support while off sick may be able to claim more help through the welfare system, depending on their individual circumstances. We will continue to review the rate as part of the annual uprating process.

Why has the percentage rate for lower earners been set at 80%?

- The Government believes that an 80% rate strikes the right balance between providing financial security to employees who need it, whilst limiting additional costs to businesses.
- The Government is committed to working closely with employers and employees to upgrade the world of work and improve living standards. An 80% rate best aligns with these commitments.

Will you support small businesses with the increased costs from strengthening Statutory Sick Pay?

- By removing the waiting period, employers stand to benefit from increased productivity. Moreover, the additional cost to business of the SSP reforms is around £15 per employee.
- Previous rebate schemes for employers were complex and expensive to administer, underused by small businesses and did not encourage employers to take steps to support their employees.
- The Government has published the Get Britain Working White Paper, an independent review which will consider how UK employers can be supported in promoting healthy and inclusive workplaces and help more people to stay in, or return to, work.

² [Impact assessment: Improve access Statutory Sick Pay removing Lower Earnings Limit and waiting period](#)

³ [Employee research Phase 2: Sickness absence and return to work. Quantitative and qualitative research.](#) Table A12

⁴ [Impact assessment: Improve access Statutory Sick Pay removing Lower Earnings Limit and waiting period](#)

⁵ [Employee research Phase 2: Sickness absence and return to work. Quantitative and qualitative research.](#) Table 4.1