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Factsheet for case GB-2020-11/586

Changes to Statutory Sick Pay (SSP)

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Country	United Kingdom, applies nationwide
Time period	Open ended, started on 13 March 2020
Type	Legislation or other statutory regulation
Category	Income support to workers and those laid off – Paid sick leave
Case created	14 April 2020 (updated 27 April 2020)

Background Information

On the 17th of March, the Chancellor announced a package of government-backed and guaranteed loans to support businesses, making available an initial £330 billion of guarantees – equivalent to 15% of GDP. This was on top of a series of measures announced at Budget 2020 on the 12th of March, where the government announced £30 billion of additional support for public services, individuals and businesses experiencing financial difficulties because of COVID-19. Changes to SSP were part of the initial Budget package, subsequently extended on the 17th of March, and accounted for in Sections 39 to 44 of the Coronavirus Act 2020. Section 40 (<https://www.legislation.gov.uk/ukpga/2020/7/section/40>) amends the Social Security Contributions and Benefits Act 1992. Under the Coronavirus Act 2020, the changes in SSP will be back-dated to 13th of March.

Content of measure

In order to traditionally qualify for SSP (currently £94.25 and payable by employers for a maximum of 28 weeks), there is a wait of three days before an individual employee becomes eligible. However, under the new ruling, SSP will be paid from day 1, rather than day 4 of an individual's absence from work if that person is absent from work due to sickness or the need to self-isolate caused by COVID-19. This applied retrospectively from the 13th of March.

Moreover, from the 20th of March onwards, those who have COVID-19 or who are advised to self-isolate will

be able to obtain an “isolation note” by visiting NHS 111 online and completing an online form, rather than visiting a doctor. For COVID-19 cases, this replaces the usual need to provide a “fit note” after seven days of sickness absence.

For those not eligible for SSP e.g. the self-employed or those earning below the Lower Earnings Limit of £118 per week, but who have COVID-19 or are advised to self-isolate, the government says that they can now more easily make a claim for Universal Credit (UC) or new style Employment and Support Allowance.

For those who are self-employed and receiving Universal Credit with COVID-19 or advised to self-isolate, the requirements of the Minimum Income Floor will be temporarily relaxed. This change took effect on 13 March and will last for the duration of the outbreak, to ensure that self-employed UC claimants will receive support.

Use of measure

Uptake thus far unknown; no information yet available

Actors, target groups and funding

Actors	Target groups	Funding
National government	employees	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Unknown

The Chancellor is reported to have met and worked with trade unions and business groups, in order to support peoples' financial security. There is evidence on Hansard (official record of proceedings in Parliament) that the Chancellor 'spoke to the trade unions' on the 18th of March and on the 19th of March, he met with the TUC, the CBI, the BCC and the FSB. This was done with a view to urgently developing new forms of employment support to help protect people's jobs and incomes through this period (see <https://hansard.parliament.uk/lords/2020-03-19/debates/8B1662BD-F065-4731-AA48-5BA21424C2D0/Covid-19EmploymentSupport>). There are no explicit details of discussion.

Previously, the TUC had called for changes to the SSP system. On the 18th of March, the TUC stated that the sick pay system is 'broken', stating that at a maximum of £94.25 per week, Statutory sick pay (SSP) is not enough to live on. The TUC further averred that the average worker earns £512 per week, so for the estimated 7 million people who may come to rely on SSP, any time off work will constitute 'a large income

shock.'

The TUC also pointed out that many people aren't eligible for SSP, as approximately 2 million people do not qualify for such payments due to the fact that they do not meet the lower earnings limit of £118 per week. The TUC criticised the Chancellor for not extending eligibility for sick pay to these lower earners; he instead pointed them to the benefit system. He has announced minor improvements to the way the benefit system operates, but the TUC is still critical that the system will fail to provide appropriate support, mainly due to the five-week wait for first payment and the low level of benefits then provided (Employment and Support Allowance is just £73.10).

The TUC thus called on the government to remove the lower earnings limit for qualification for sick pay. It also urged the government to immediately increase the weekly level of SSP (£94.25) to at least the equivalent of a week's pay at the Real Living Wage, as well as to end the five-week wait for benefits (see <https://www.tuc.org.uk/blogs/coronavirus-help-what-workers-need-now>).

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 20 March 2020: HM Treasury 'How to access government financial support if you or your business has been affected by COVID-19 (assets.publishing.service.gov.uk)