

Taking the next step for working carers

Introducing a new right to paid Carer's Leave



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Introduction

With the UK's ageing population and the world of work changing all the time, Carers UK continues to see a steep rise in the number of people who are juggling paid employment with their unpaid caring responsibilities.



The UK economy depends on businesses and employers retaining their skilled and knowledgeable staff, and this increasingly includes the millions of employees who also provide unpaid care to family members and friends ('working carers').

A lack of support and understanding about the pressures working carers face means that many people are currently struggling to balance their responsibilities, with adverse consequences for their health and wellbeing, and their ability to remain in paid work. Society needs to adapt and change in order to support our growing and changing population of working carers, and to realise the benefits of doing so.

While Carers UK strongly supported and welcomed the passage of both the Carer's Leave Act 2023 and the Employment Relations (Flexible Working) Act 2023 during the last parliament, the UK still lags behind other countries in terms of workplace rights for carers.

As a result, Carers UK wants to see the UK go further and to realise our vision for all working carers to have a statutory right to two weeks of paid Carer's Leave a year, accompanied by a longer period of up to six months of unpaid leave.

In the passage of its proposed Employment Rights Bill, the UK Government has a real opportunity to move quickly to build on carers' existing employment rights by legislating for paid Carer's Leave.

As rights are often built over time, we recommend that a pragmatic, quick and deliverable next step would be for the Government to introduce a statutory right to five days of paid Carer's Leave per year in legislation during this Parliament. This would build on the foundations of the Carer's Leave Act 2023, be legislation that could be enhanced over time, and still deliver clear benefits for unpaid carers, employers, the economy, and state alike.

Introducing paid Carer's Leave would support more unpaid carers to stay in or return to work, and mean that working carers could take time away from work to fulfil their caring responsibilities when they need to do so, without losing out financially. Considering the significant financial pressures many carers currently face, this is imperative.

Introducing paid Carer's Leave isn't just morally right, but economically imperative. Evidence shows that providing working carers with the flexible working opportunities they need delivers clear economic benefits for the economy as a whole and would save employers billions of pounds a year.¹

It's now time to build on previous success and take the next steps to ensure more carers can remain in, or return to, work when they wish to do so.

In this report we examine the benefits of moving to paid Carer's Leave, including the positive impact it would have for women and lower paid workers. We also outline the anticipated costs and savings this would result in for HM Treasury.

¹ Research by Centrica estimated that UK companies could save up to £4.8 billion a year in unplanned absences and a further £3.4 billion in improved employee retention by adopting flexible working policies to support people with caring responsibilities. Carers UK's analysis of other countries' policies found that paid leave of at least five days a year could save the UK economy around £3.5 billion a year.

Juggling work and care – a growing issue

Millions of people in the UK are now juggling paid work with their unpaid caring responsibilities for family members and friends who need their support.



There are nearly 2.5 million carers in employment (excluding full-time students)² in England and Wales, according to the recent ONS Census 2021 – 9% of the total number of people in employment. Of those, 2 million are employees, and 445,000 are self-employed. In Scotland, a further 268,000 carers are in employment (of which 234,000 are employees, and 34,000 are self-employed). In Northern Ireland, 125,000 carers are working either full-time (81,000) or part-time (44,000). Combined, over 2.8 million carers are juggling work and care across the UK.



² ONS (2023) *Economic activity status by provision of unpaid care by general health*. <https://www.ons.gov.uk/datasets/RM022/editions/2021/versions/1>

³ Carers UK (2019) *Juggling work and care*. <https://www.carersuk.org/media/no2lwyxl/juggling-work-and-unpaid-care-report-final-web.pdf>

While the data from Census 2021 is significant, other research suggests that the number of working carers could be even higher. For example, Carers UK research in 2019 found that there could be around 4.9 million people juggling work and care – 1 in 7 of all workers across the UK.³

Many of these people are combining paid employment with substantial levels of unpaid care. Carers UK research found that over 400,000 people in employment now provide over 50 hours of unpaid care per week.⁴ These findings are corroborated by the Chartered Institute of Personnel and Development (CIPD), who found that 28% of workers in full-time employment provide 30 or more hours of care per week leaving them: “...having to cope with two full-time jobs”.⁵

The number of working carers also fluctuates. Thousands of people take on new caring responsibilities each and every day. As a result, research by the Centre for Care at the University of Sheffield found that in every year between 2010-2020, more than 1.9 million people in paid employment became unpaid carers – over 5,000 people every day.⁶

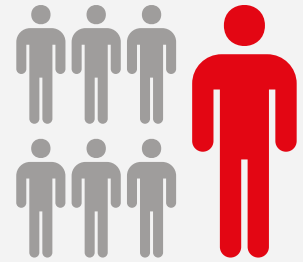
Many working carers are supporting critical sectors of the economy, such as the NHS and social care services. A recent NHS staff survey suggested that as many as 1 in 3 people working in the NHS were also looking after a family member or friend.⁷ Given the stark workforce shortages currently affecting these sectors, it is vital we do more to ensure that they are supported to remain in work.

As the UK's population ages, ever more people will have to combine caring with paid employment.⁸ As a result, the adequacy of employment support for working carers, and carers' rights and entitlements at work, should be a matter of increasing concern for everyone.

As many as

1 in 7

workers in the UK are juggling work and care



400,000

people in employment provide over 50 hours of unpaid care a week



5,000

employees take on new caring responsibilities every single day



Petrillo, Bennett and Pryce (2022)

⁴ https://www.carersuk.org/media/hiekwx0p/carers-uk-crd-employment-report-2023_final.pdf

⁵ Austin, A. and Heyes, J. (2020) *Supporting working carers: How employers and employees can benefit*, CIPD and University of Sheffield, https://www.cipd.org/globalassets/media/comms/news/a1supporting-working-carers-2_tcm18-80339.pdf

⁶ Petrillo, Bennett and Pryce (2022) *Cycles of caring: transitions in and out of unpaid care*. <https://www.carersuk.org/media/bgolg5u2/cuk-carers-rights-dayresearch-report-2022-web.pdf>

⁷ NHS Staff Survey (2020)

⁸ Yeandle and Buckner (2017) *Older Workers and Care-Giving in England: the Policy Context for Older Workers' Employment Patterns* – <https://pubmed.ncbi.nlm.nih.gov/28776116/>

The challenges and impact of juggling work and care

Balancing work and care can be a real struggle. Many carers are tired, stressed and struggling to manage their own physical and mental health due to a lack of support, with many having to leave work or reduce their working hours as a result.

A wealth of evidence exists that shows that the provision of unpaid care is a significant reason for employees having to leave the labour market. A lack of support in the workplace and inadequate working rights have meant that many people have cut back their working hours to care, or had no choice but to give up work altogether.

Carers UK research in 2019, based on polling, found that a staggering 2.6 million people – over 600 people every single day – have given up work to care, while an additional 2 million people have reduced their working hours.⁹

Our State of Caring 2022 report¹⁰ asked people who are juggling work and care about their experiences of doing so. Concerningly, we found that:

- 75% worry about continuing to juggle work and care
- 65% have given up opportunities at work because of caring
- A quarter (23%) need more support to return to, or maintain, paid work
- More than 1 in 10 are at risk of reducing their hours at work or of giving up work completely, without access to affordable and accessible alternative care
- 29% have already reduced their hours at work, while a further 11% felt they needed to, to help manage their caring responsibilities
- 12% said they needed a more supportive employer to stay in work.

These findings are corroborated by other research. For example, CIPD found that “the effort to combine work and care can result in stress, anxiety and low wellbeing, and affects the ability of working carers to perform well in their jobs”.¹¹

People in certain demographic groups are also more likely to be juggling paid work and unpaid care than others – with negative impacts on their lives. Past research on carers of working age has consistently found a particularly high incidence of unpaid caring among women and men aged 50–64. Although most carers of this age continue to combine work and care, some have had to leave their jobs or reduce their working hours to facilitate caring.¹² This should be particularly concerning for policy makers given the recent emphasis on encouraging people to remain in or return to work into later life.

It is also the case that women are twice as likely as men to leave their job due to caring, due to the gendered nature of providing unpaid care.¹³ This aggravates and further entrenches the gender pay and pension gaps that already exist.

75%

of working carers worry about continuing to juggle work and care



⁹ Carers UK (2019) *Juggling work and care - a growing issue*. <https://www.carersuk.org/media/no2lwyxl/juggling-work-and-unpaid-care-report-final-web.pdf>

¹⁰ <https://www.carersuk.org/media/p4kblx5n/cukstateofcaring2022report.pdf>

¹¹ Austin, A. and Heyes, J. (2020) *Supporting working carers: How employers and employees can benefit*, CIPD and University of Sheffield, https://www.cipd.org/globalassets/media/comms/news/a1supporting-working-carers-2_tcm18-80339.pdf

¹² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5557863/>

¹³ Vodafone (2021) *Lost Connections: supporting carers in the workplace*. <https://newscentre.vodafone.co.uk/app/uploads/2021/03/Lost-Connections-2021.pdf>

Supporting carers to juggle work and care

Supporting unpaid carers to remain in work is dependent on the interplay between a broad set of social and employment policies.



For example, having access to affordable and accessible care services which carers can rely on while they go to work is essential for many people juggling work and care. A quarter (26%) of carers in employment told us in 2022 that they needed affordable and accessible alternative care in order to work. A further 7% said they were at risk of reducing their hours at work and 7% said they were at risk giving up work completely, without access to it. Not having access to affordable and accessible care was the primary reason that people said they would have to either reduce their hours or give up work completely – and combined was selected by 1 in 7 (14%) respondents.¹⁴

More positively, our work with members of our [Employers for Carers](#) forum, and our evidence from working carers, shows that there are ways to limit the impact of juggling work and care and help people to do so.

Research we published in 2019¹⁵ found that the top three interventions that working carers thought would be most helpful to have were:

- 5-10 days of paid Carer's Leave – 89%
- A supportive line manager – 89%
- Flexible working – 88%

These findings built on the Taylor Review of Modern Working Practices, undertaken on behalf of the UK Government in 2017, which highlighted the value of flexible working arrangements to workers with caring responsibilities. It noted that 42% of those with caring responsibilities said flexible working was important in comparison to 29% of those without caring responsibilities.¹⁶

Other mechanisms working carers need to be able to successfully juggle work and unpaid care include having a carer-friendly culture at work, the ability to work from home (or location closer to the person they are caring for) and – importantly – access to paid Carer's Leave.

¹⁴ Carers UK (2022) *State of Caring 2022* – <https://www.carersuk.org/media/p4kblx5n/cukstateofcaring2022report.pdf>

¹⁵ Carers UK (2019) *Juggling work and unpaid care - a growing issue*

¹⁶ *Good Work: The Taylor Review of Modern Working Practices* – <https://assets.publishing.service.gov.uk/media/5a82dcce5274a2e87dc35a4/good-work-taylor-review-modern-working-practices-rg.pdf>

Carers' rights in the workplace

Unpaid carers already have several existing rights in the workplace which are important in supporting them to juggle work and unpaid care, including:

Time off for emergencies

Employees have a legal right to take a reasonable amount of time off work to deal with an emergency involving someone who relies on them for help as a dependant (eg, a spouse or partner, child, or parent). Whether or not this time off is paid or unpaid is at the discretion of the employer. An emergency might include the death of a dependant, breakdown of usual care arrangements, the dependant falling ill, experiencing an assault or having an accident, or dealing with an incident involving a child at school.



Right to request flexible working

Employees also have a legal right to request flexible working. Flexible working might be working flexi-time (eg working outside of 'core hours'), working from home, job sharing, part-time working, term-time working, staggered hours (where employees have various start and finish times), compressed hours (where employees work their total hours over fewer working days), mealtime flex (where employees take their lunch break when it suits them), and annualised hours (where employees work their total hours over a year but have some flexibility when they work).



Employees' rights to request flexible working were recently enhanced through the passage of the Employment Relations (Flexible Working) Act 2023. Please see more detail in the section below.

Protection from discrimination by association with a disabled person

In addition, in England, Wales and Scotland, people who are looking after someone who is older or disabled are protected under the Equality Act 2010 against direct discrimination or harassment, including within the workplace, because of their caring responsibilities. This is framed in law as discrimination by association with a disabled or older person.



New legislation from 6 April 2024

Two other new pieces of legislation which received Royal Assent in 2023 and came into force on 6 April 2024 will also make a difference and better support unpaid carers to juggle work and care: the Carer's Leave Act 2023 and the Employment Relations (Flexible Working) Act 2023.

Carer's Leave Act 2023

The new Carer's Leave Act 2023 became law on 6 April 2024. This new Act gives employees who are unpaid carers in England, Scotland and Wales the legal right to take up to five days of unpaid Carer's Leave. This entitlement is available to employees from the first day of their employment and allows employees to take time off for caring commitments. It ensures that unpaid carers have the same employment protections as employees taking other forms of family-related leave. This means carers are protected from dismissal or any detrimental outcomes because of taking time off.



Employment Relations (Flexible Working) Act 2023

The new Employment Relations (Flexible Working) Act 2023 also came into force on 6 April 2024. This gives employees in England, Scotland or Wales the right to ask their employer for flexible working from day one of their employment. This Act provides millions of workers with more flexibility over where and when they work. It enables employees to make two statutory requests in any 12-month period (rather than one request, which was the case under previous legislation). It also removes the previous requirement for the employee to explain what effect the change would have on the employer and how that effect might be dealt with. Employers now also have to consult with an employee before a request is rejected, and must make a decision on a request within two months (rather than three months, as was the case under previous legislation).



The need for paid Carer's Leave

The entitlement to a week of unpaid Carer's Leave that was recently secured through the passage of the Carer's Leave Act 2023 is a positive step in the right direction and will benefit over 2 million employees who are currently juggling work and care.



However, unpaid leave provisions have always been more problematic for some workers to benefit from. This is particularly true for those on low pay – as they often cannot afford to take unpaid leave from work – and women, who provide the bulk of unpaid care, are also more likely to be disadvantaged by this.

As a result, Carers UK wants to see new legislation introduced that builds on the Carer's Leave Act 2023 and ensures all employees who have unpaid caring responsibilities are able to take paid Carer's Leave.

This is a call that is widely backed by working carers, organisations who represent carers, carer-positive employers, unions, and think tanks from across the political spectrum.

Earlier this year both the Centre for Social Justice,¹⁷ and the Fabian Society, working with the Joseph Rowntree Foundation,¹⁸ independently called for working carers to be given access to paid Carer's Leave, citing evidence provided by Carers UK.

There is robust evidence to suggest that providing working carers with access to paid Carer's Leave

would leverage even greater benefits for carers, communities, employers and the economy at very little cost.

Indeed, if a new right to paid Carer's Leave were introduced:

- more unpaid carers – particularly women – would be able to juggle work and care
- business would be better able to retain and recruit skilled employees – many of whom are 45-60 and at the height of their careers
- workplace cultures would become more family-friendly and inclusive
- more working carers would be supported to stay in work or work more hours – with particular benefits for the NHS and social care workforce, which have especially high numbers of working carers
- employees with lower incomes who may not be able to afford unpaid leave would be able to take time off work to manage their caring responsibilities.

¹⁷ https://www.centreforsocialjustice.org.uk/wp-content/uploads/2024/02/CSJ-Creating_a_Britain_that_Works_and_Cares.pdf

¹⁸ <https://fabians.org.uk/wp-content/uploads/2024/02/Carers-protections-FINAL-fixed-PDFx.pdf>

A WORKING CARER'S STORY: Katie Leaning, Agile Business Analyst, TSB Bank plc.

“Becoming a carer snuck up on me. My mum experienced non-Hodgkin's lymphoma in the late 1990's and undertook some aggressive forms of treatment. She then developed congestive heart failure and has since been living quite an independent life, despite her heart not working as efficiently as it should.

I never considered myself a carer until recently. For the most part, it was generally supporting mum with shopping, as she can get breathless when walking distances, or taking her to and from her appointments as she doesn't drive. We do things for the people we love, and it's sometimes difficult to recognise when those responsibilities increase into something more substantial.

Following a brief hospital admission in 2021, I had a conversation with my manager and completed a carers passport. At that time, this pretty much said, “I don't require any support at the moment from TSB, but I'm aware that congestive heart failure is a progressive illness, and I want you to know that I'm my mum's carer in case things change.”

I'm thankful I took the time to have that conversation with my manager because my mum's health deteriorated quickly and she was admitted to Intensive Care an hour away from home. Having the passport in place meant I could



easily share what had changed with my team, and TSB's Carers Leave Policy enabled me to work flexibly. I can take full or part days, so I've been able to work when I need to – sometimes for a sense of normality – but I'm also able to take a step back when I need to be by her side at the hospital.

It's been an emotional and unpredictable time for me and my family. It would be harder still if I didn't have great support from TSB and my colleagues, who have all been very compassionate. I know of carers who don't have policies in place at their workplaces and are faced with the additional stress of considering unpaid leave. I'm grateful that TSB supports me with flexible solutions to help me find balance between work and caring for my lovely mum. ”

Find out more about TSB's support for their working carers on page 19.

Benefits to unpaid carers

Carers UK's evidence from carers shows that:¹⁹

- 80% of carers say that additional paid Carer's Leave of between five and ten days would better help them to juggle work and unpaid care.
- 50% of carers would find it easier to return to work after a period of absence if they had access to paid Carer's Leave.
- Almost half (40%) of those who have given up work or retired early to care, said paid Carer's Leave would have helped them to stay in employment for longer, had it been available at the time.

When asked what forms of support would be most useful to them, CIPD found that paid leave for carers was by far the most popular option, followed by flexitime and the ability to work at home on some days.²⁰

Keeping carers in paid employment has many benefits for carers, including:

- **Improving their incomes in the short term.** A Carers UK survey found that of carers who had given up work or reduced their working hours to care, 2 in 5 were around £10,000–£20,000 per year worse off.²¹ The Joseph Rowntree Foundation

¹⁹ Ibid.

²⁰ Austin, A. and Heyes, J. (2020) *Supporting working carers: How employers and employees can benefit*, CIPD and University of Sheffield, https://www.cipd.org/globalassets/media/comms/news/a1supporting-working-carers-2_tcm18-80339.pdf

²¹ <https://www.bl.uk/britishlibrary/~media/bl/global/social-welfare/pdfs/non-secure/ff/a/c/facts-about-carers-2012.pdf>

found that unpaid carers' earnings fall by an average of £134 per month (7%) after they begin caring, so that five years later their pay is £804 per month (34%) lower than it was before they started caring.²² This fall in income is often accompanied by a sharp increase in household costs because of the additional costs of ill-health and disability.

- **Supporting long-term family finances.** When carers have to give up work, the growing gap between their income and outgoings can have a long-term impact on family finances, resulting in debt, rapid loss of savings and an inability to contribute to a private pension.
- **Providing an important break from caring,** improving carers' health and wellbeing and ensuring their lives aren't solely defined by their caring responsibilities.
- **Re-entering the labour market.** It can also be very difficult for carers who have had to leave work to re-enter the labour market when their period of caring ends, particularly if they are in their fifties or sixties.

Introducing paid Carer's Leave would particularly benefit those on low incomes; women; ethnic minority carers; older workers; parents of disabled children; young adult carers starting out in paid work.

One academic study found that women in their fifties who provide more than 10 hours of unpaid care a week are significantly less likely to remain in employment than those who are not providing care. It also found that men aged between 50 and State Pension Age who provide more than 10 hours of unpaid care had a significantly reduced employment rate over time, compared to those not providing care.²³

Another study found that, when other factors were controlled for, young adult carers were more than twice as likely to have left employment and become unemployed compared to non-carers. It also found that young carers who were women or from an ethnic minority background were even less likely to be in employment.²⁴

In our State of Caring 2023 survey, we asked carers what difference having paid Carer's Leave would make to their lives:

- “If I had paid carers leave it is likely that I would be able to work longer paid hours. Right now, I work 18 hours a week because that was the safest amount I could commit to while juggling my other responsibilities.”
- “Currently, I use my annual leave and have to buy extra to be able to accommodate my caring responsibilities.”
- “Not having paid Carer's Leave meant I had to take sick leave which has hugely affected my previously clean absence record.”
- “Previously, I have had to take sick or annual leave when my husband's health has deteriorated but was not an emergency. This means that I have fewer annual leave days to take for rest and recuperation, making it a spiral of exhaustion for me.”
- “I wouldn't take unpaid leave as it will make me struggle with bills and paying for food and energy which has gone up since I have taken caring responsibilities just over a year ago.”
- “Much of my annual leave is used to support my husband attend medical appointments. It leaves me feeling unable to re-charge and at a disadvantage compared to my colleagues without such caring responsibilities.”

²² Joseph Rowntree Foundation (2023) *The Caring Penalty* – <https://www.jrf.org.uk/report/caring-penalty>

²³ <https://pubmed.ncbi.nlm.nih.gov/23356685/>

²⁴ <https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-020-09166-7>



Benefits to business

Carers UK's research with members of our Employers for Carers forum has also found that employers lose out when carers struggle to manage work and caring responsibilities, and they can incur substantial costs in employee absence and workplace stress as a result.

When valued employees have to give up work to care, businesses bear the costs of recruitment and lost productivity. Employers are losing talented people in whom they have invested considerable time and money.

Evidence shows:

- The impact of staff turnover, absence, and stress because of juggling work and caring unsupported could be costing UK businesses over £3.5 billion every year, so there are significant savings to be made by better supporting employees to combine work and caring.²⁵
- Centrica, a founder member of Employers for Carers, has introduced carer-friendly policies, including the right to paid Carer's Leave, which it says has saved the company around £1.8 million per annum in terms of preventing unplanned absences and presenteeism, and a further £1.3 million per annum in retention savings.²⁶

The specific benefits that employers would gain through the introduction of a statutory right to paid Carer's Leave include:

- Increased productivity
- Lower recruitment costs
- Higher staff retention
- Reduced absenteeism
- Increased worker loyalty and satisfaction
- Improved employee wellbeing
- Positive contribution to diversity and inclusion
- Being an employer of choice when looking to recruit new employees.

£3.5 billion

The estimated cost to UK business caused by a lack of support to help people juggle work and care



²⁵ https://www.employersforcarers.org/media/zjkj3zrw/business_case_new.pdf

²⁶ <https://www.centrica.com/news/carers-uk-and-centrica-announce-new-partnership-improve-lives-carers>

CASE STUDY: Centrica plc

Centrica is passionate about supporting carers in their workplace. Over the past 20 years they have been one of the leading employers when it comes to supporting their staff who have caring responsibilities, developing a paid Carer's Leave policy and a 2,500-strong carers' employee network that offers vital peer support to staff.

In 2019, Centrica enhanced their paid carers' leave policy, enabling all their employees to take paid Carers Leave without using annual leave allowances, so they can better meet their caring responsibilities.

Their paid Carer's Leave policy is available to all Centrica colleagues in the UK and Ireland, allowing them to take up to six weeks of leave a year. This includes an initial 10 days paid Carer's Leave, followed by another two weeks of discretionary leave, matched with two weeks annual leave.

Despite the substantial paid leave provision the policy offers, Centrica found that the average amount of carer's leave taken is just 3.4 matched days per year.

Alongside their paid Carer's Leave policy, Centrica offer other benefits to their working carers, including: a day one right to request flexible working, free access to independent counsellors through their MyCare employee assistance line, and access to mental health first aiders.

To help prove the business case for carer-friendly workplaces, Centrica calculated the financial saving they make by supporting their people with a flexible carer policy and peer support. These included an estimated saving of £1.8 million a year by avoiding unplanned absences and presenteeism (working while unwell or not fully performing) due to caring responsibilities, and further cumulative savings of £1.3 million through increased retention by supporting colleagues to stay in work while they care for loved ones.

Commenting on the support they provide, Alan McLaughlin, Executive Sponsor of Centrica's Carers Network, said:

“We believe that we have to do everything possible to support employees with caring responsibilities to stay in work and progress their careers.”

“The societal case for a carer-friendly workplace is obvious – but we believe the business case is equally clear.”

“While we don't have all the answers, we're keen to share our positive experience and encourage and help our industry peers to increase support for working carers and share best practice.”

Economic benefits:

Supporting people to stay in work by introducing paid Carer's Leave also presents a significant economic opportunity for the UK economy. Evidence shows:

- The estimated value to the economy of carers being able to work is £5.3 billion.²⁷
- Centrica estimated that UK companies could save up to £4.8 billion a year in unplanned absences and a further £3.4 billion in improved employee retention by adopting flexible working policies to support those with caring responsibilities.²⁸
- The public expenditure costs of carers leaving paid work have been estimated to be £1.3 billion a year, based on the costs of Carer's Allowance payments and lost tax revenues.²⁹
- Additionally, there is the lost revenue to the Exchequer through carers' tax and pension contributions. These costs are reflected in the Department for Work and Pensions' estimate that the benefit to the Exchequer of a randomly selected person who would otherwise have claimed Jobseeker's Allowance moving into employment would be approximately £9,800 per annum.³⁰

²⁷ assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/232303/Supporting_Working_Carers_Final_Report_accessible.pdf

²⁸ centrica.com/media/3247/centrica_carers_guide.pdf

²⁹ assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/232303/Supporting_Working_Carers_Final_Report_accessible.pdf

³⁰ https://assets.publishing.service.gov.uk/media/5a7b8a50ed915d41476210a6/Supporting_Working_Carers_Final_Report_accessible.pdf

An international perspective

The UK was the first adopter of many policies to support unpaid carers and was emulated by other countries and carers' organisations around the world. However, the UK has now fallen behind other nations in terms of the support that carers receive to help them juggle paid employment and unpaid care.



For example, a growing number of countries now offer statutory paid carer's leave – in contrast to the unpaid leave introduced via the Carer's Leave Act 2023 that will benefit working carers in Great Britain.

The Sustainable Care Programme at the University of Sheffield noted in their submission to the Government's consultation on the introduction of unpaid Carer's Leave in 2020 that, in other jurisdictions where statutory carer's leave exists, governments have found that, to be widely

available to those who need it, the leave needs to be compensated. Japan, for example, found that it needed to introduce compensation for carers – and later adjust this upwards – to improve their ability to take up carer's leave.

The table in annex two below provides a summary of the statutory paid leave provisions that already exist for working carers in Australia, Canada, Finland, Germany, Italy, Japan, and Sweden.

Current access to paid Carer's Leave in the UK

Some forward thinking and carer-friendly employers in the UK, including those who are part of our Employers for Carers forum, already provide their employees with access to paid Carer's Leave on a non-statutory basis. See table one below.



Existing practice shows that having access to paid Carer's Leave is an important way for carers to balance work and care, and employers who already offer paid Carer's Leave say it brings significant economic and cultural benefits to their organisations, as well as to their employees.

Evidence from our Employers for Carers forum also suggests that having a paid Carer's Leave policy in place leads to other forms of flexibility in the workplace to support employees with their caring responsibilities (eg, adjustments to working hours, or being able to work from home or an alternative location for all or part of the day).

However, this good practice is sporadic and not widely available for employees across the economy. Evidence suggests that only 9% of working carers currently have access to paid Carer's Leave.³¹

Our State of Caring 2023 survey also asked carers who are in employment about their access to paid Carer's Leave:

- 58% said having access to paid Carer's Leave would better help them to juggle work and care
- 41% said they did not know if paid Carer's Leave was offered by their employer
- 20% said that paid Carer's Leave had already supported them to juggle work and care
- 7% said their employer was looking at introducing a new policy on paid Carer's Leave.

³¹ Austin, A. and Heyes, J. (2020) *Supporting working carers: How employers and employees can benefit*, CIPD and University of Sheffield, https://www.cipd.org/globalassets/media/comms/news/a1supporting-working-carers-2_tcm18-80339.pdf

In our State of Caring 2023 survey, we asked unpaid carers what difference having paid Carer's Leave made to their lives:

- “When I was very distressed because of my daughter's illness I was able to take paid Carer's Leave. There was no problem, and I was very grateful to be able to do this.”
- “My employer has paid Carer's Leave and it's an absolute game changer. I used to have to take sick leave or use annual leave for my caring responsibilities at previous jobs.”
- “My boss told me about paid Carer's Leave when I mentioned my situation which gave me a sense of relief and it was one thing less to worry about.”
- “My dad was taken to A&E by ambulance and wanted me to accompany him. My employers let me have paid carer's leave to accompany him.”



Access to non-statutory paid Carer's Leave also varies by employment type, size of employer, and sector. Our State of Caring 2022 survey found that:

- Those who said they were full-time employees were more likely to have access to paid Carer's Leave (31%) than those working part-time (25%).
- Carers working for a large organisation were more likely to say they were able to take paid Carer's Leave (32%) than those working for medium (19%) and small (20%) organisations.
- Carers working for a not-for-profit/voluntary sector organisation or public sector organisation were much more likely to say they were able to take paid Carer's Leave (31% and 33% respectively) compared to those working for a private sector organisation (15%).

CIPD also found that there was a marked gender difference in relation to taking paid Carer's Leave: 25% of men had taken this type of leave, compared with only 15% of women.³²

The lack of widespread access to paid Carer's Leave is problematic as two fifths (40%) of working carers say they needed access to it to help them balance work and care.

Concerningly, 5% of working carers say they are at risk of reducing their working hours without paid Carer's Leave, while 6% say they are at risk of giving up work completely. At a population level, these figures represent hundreds of thousands of people.

11%

of working carers say they are at risk of reducing their hours or giving up work completely without access to paid Carer's Leave



³² https://www.cipd.org/globalassets/media/comms/news/a1supporting-working-carers-2_tcm18-80339.pdf

Table one: Organisations who already offer paid Carer's Leave on a non-statutory basis

Sector	Employee numbers	Policy
Insurance	16,200	35 hours paid
Public Sector	4,000	10 days paid
Utilities	20,000	14 days paid
Financial Services	450	5 days paid
Local Authority	18,000	5 days paid
Not for Profit	75	10 days paid
Public Sector	800	5 days paid
Public Sector	6,000	5 days paid
Regulator	4,500	5 days paid
NHS	31,000	5 days paid
Financial Services	40,000	5 days paid
Consumer retail	380	3 days paid, 20 unpaid
Public Sector	52,000	5 days paid
Financial Services	17,000	5 days paid
Public Sector	1,900	5 days paid
Education	6,000	25 days paid
Legal	650	5 days paid
Regulator	1,000	5 days paid
Financial Services	8,000	10 days paid
Real estate	2,300	3 days paid
Local Authority	10,000	5 days paid
Public Sector	5,200	5 days paid
Legal	500	6 days paid, 6 unpaid
Financial Services	7,000	70 hours paid
Utilities	18,000	5 days paid

CASE STUDY: TSB Bank plc

TSB Bank plc is a British retail and commercial bank based in Edinburgh, Scotland.

TSB recognise that providing staff who have caring responsibilities with flexibility and understanding when it is most needed is important. They are a Carer Confident Ambassador who know that combining caring responsibilities and work can often be challenging for their employees.

In June 2020, TSB launched their Carer's Policy which offers the 15% of their workforce who have caring responsibilities (over 700 employees) with access to 70 hours of paid carer's leave each year.

Carers at TSB describe the policy as a '4th emergency service', which allows them the flexibility they need to support short or longer-term caring needs. Staff value the peace of mind they get from knowing they can take paid leave when it's most needed.

“ It's a fantastic policy. It allows me to perform well in my role, knowing I have support in a safe environment.”

1 in 10 employees with caring responsibilities have taken advantage of TSB's paid carer's leave policy, with over 8,400 hours of leave taken since the policy was introduced. The average number of days of paid Carer's Leave taken per employee each year is three days.

“ TSB's Carers Policy meant I could take the time I needed whilst my son was in hospital – an amazing weight off my shoulders.”

TSB say the policy has had a really positive impact on their bottom-line. Retention of staff who have caring responsibilities remains high, and they are more likely to have longer service than non-carers.

Commenting on the support they provide to their working carers, Angela Gibson, Head of Employee Relations, TSB Bank plc said:

“ Our Carer's Policy is a key way for us to continue to drive further inclusivity, and to recognise and support an underrepresented group of colleagues. Supporting carers to juggle the demands of caring for loved ones with work was important to us, it supports our aim for all colleagues to have lasting and rewarding careers.”

“ Due to the current economic climate, now more than ever, our carers need financial stability. Many will travel more often, need more warmth in their homes and use power to keep vital equipment working to support their loved ones. At TSB, that's just one of the many reasons we will continue to support paid carer's leave.”



“ TSB's Carers Policy meant I could take the time I needed whilst my son was in hospital – an amazing weight off my shoulders.”

CASE STUDY: Phoenix Group

Phoenix Group in the UK's largest long-term savings and retirement business, whose brands include Standard Life, ReAssure and SunLife.

Phoenix Group is a Carer Confident employer which looks to support the unpaid carers in their business. In 2020, Phoenix Group introduced a new policy which provides their employees with 10 days of paid carer's leave, and an additional five days of unpaid carer's leave. After the success of the new policy, in 2022 they made this permanent.

The organisation says that the Carer's Leave policy and wider package of support they have in place means colleagues do not have to choose between caring for a loved one and remaining in the workforce, helps employees to feel valued, and better able to manage their personal responsibilities.

Across 2022 and 2023, 6% of their workforce took up their entitlement to paid Carer's Leave, while the average number of days of paid Carer's Leave taken per employee was 2.64 days.

As well as providing Carer's Leave, Phoenix Group also support their employees through a Carer's Network, a Buddy system, a Carers Passport and their Care Concierge service.

Commenting on their paid Carer's Leave policy, Claire Hawkins, Director of Corporate Affairs and Investor Relations and Executive Sponsor of Phoenix Group's colleague Carers Network said:

“As one of the UK's top employers, we attract and retain excellent people by supporting them with inclusive policies. Since 2020, we have offered ten days of paid Carers Leave plus five days unpaid, alongside an employee assistance programme and an active colleague Carers Network. We have had extremely positive feedback from our colleagues and there have only been benefits to the business as a whole.”

“We believe that offering flexibility and paid Carer's Leave enables us to retain carers while giving them the breathing space they need, and the right to look after loved ones without extra worries about income or their career.”

Legislating for paid Carer's Leave – policy design

When developing our policy modelling for paid Carer's Leave, we have considered what would work best for working carers and have also looked at what works best in practice for employers.

When thinking through how paid Carer's Leave could be implemented, we have started from the premise that the existing provisions in the Carer's Leave Act 2023 should be built on, while retaining the most valuable features of the legislation.

Therefore, when legislating for the introduction of a statutory entitlement to paid Carer's Leave by amending the Employment Rights Act 1996, we think the following features should be incorporated:

- Employees who have a long-term caring responsibility would be able to take ten days of paid Carer's Leave within a 12-month rolling period.
- Employees would be entitled to full pay when taking paid Carer's Leave. Carers should not lose out financially because of taking time off work to care. Annex one contains our modelling for different rates of payment.
- Employees would have the right to take Carer's Leave in individual days, including half days, up to a block of two weeks. This is necessary to make the legislation workable for carers and for employers. Employers who already offer paid Carer's Leave allow their employees to take individual days or half days.
- Paid Carer's Leave would be available on a flexible basis for a wide range of caring circumstances, including: to provide personal care and support; to help with official, administrative or financial matters; or to accompany someone to medical and other appointments. This would provide the flexibility that carers need.
- Paid Carer's Leave would be available to an employee irrespective of how long they have worked for their employer (ie, access should be a day one right). Carers wanting to return to work or move jobs say that a barrier is knowing how carer-friendly their future employer might be. Employers who already offer paid Carer's Leave usually do not specify how long an employee has worked for them before they can access paid Carer's leave.
- Carers who return to work after a period of taking paid Carer's Leave would be entitled to return to the job in which they were employed immediately before the absence – on terms and conditions not less favourable than those which would have applied if the employee had not been absent.
- The required notice period for requesting paid Carer's Leave would be twice as many days as the period of leave required and would not need to be made in writing.
- Employees who take paid Carer's Leave would be protected from detriment and dismissal as a result of them taking, or seeking to take, paid Carer's Leave.
- An employer would be able to postpone an employee's request for a period of carer's leave where this would unduly disrupt the operation of their business. However, employers would have to give notice as soon as is reasonably practicable and, following consultation with the employee, confirm a new date on which they can take the leave within a month of the original date(s) requested.



How much would a statutory right to paid Carer's Leave cost?

Carers UK has modelled what it would cost HM Treasury to introduce a new statutory right to paid Carer's Leave during this Parliament.

While our vision is for all working carers to be able to take two weeks of paid Carer's Leave a year, as rights are often built over time, we recommend that the Government should build on the Carer's Leave Act 2023 by introducing five days of paid Carer's Leave per year as a practical first step that can be enhanced over time.

We have considered several different variables in determining how much this new statutory entitlement would cost HM Treasury. These include that:

- 1 2,010,000 employees in Great Britain with caring responsibilities would be eligible to take paid Carer's Leave.³³
- 2 The average take-up rate of a statutory entitlement to paid Carer's Leave would be 5%. Extrapolated across the economy, this would mean 100,500 working carers would make use of the statutory entitlement each year.
- 3 Based on our evidence from employers, on average, eligible employees would only take 2.5 days of paid Carer's Leave per year.
- 4 When looking at the rate of payment for which employees should be compensated when taking paid Carer's Leave, we have modelled for different rates of payment (eg, full pay, 80% of full pay, Statutory Maternity Pay (SMP), Statutory Sick Pay (SSP)).

Our modelling indicates that with an estimated take-up rate of 5%, and with the average employee taking 2.5 days of paid Carer's Leave per year, the upfront cost to HM Treasury of introducing this new statutory right to five days paid Carer's Leave would be between £5.5 million to £32 million per annum (depending on the rate of payment decided upon).

Set against these upfront costs, we anticipate that there are 'direct' savings to HM Treasury in terms of reduced social security payments and the retention of



tax and NI payments to the Exchequer. *Note, in our modelling, we have not counted business productivity costs, but they would be an additional benefit.*

Once these 'direct' savings are applied to the upfront cost, we estimate legislating to introduce the policy would cost HM Treasury between £4.5 million and £26 million per annum to implement, depending on the rate of payment at which employees were compensated.

From working carers' perspectives, the optimum outcome would be for people to receive full pay when they took advantage of any entitlement to paid Carer's Leave. This would mean the total cost to HM Treasury of legislating for employees to have a statutory right to five days of paid Carer's Leave per annum would be £26 million per annum.

We also estimate significant 'other' savings would be made as a result of introducing the statutory entitlement that would further reduce the cost of implementation that HM Treasury would bear. Indeed, these may result in a net gain for HM Treasury as a result of implementation.

More detail on our modelling is available in [annex one](#).

³³ The Family Resources Survey (2021/22) suggests 2,096,000 employees are informal carers in the United Kingdom. Since employment matters are devolved in Northern Ireland (NI), the policy would only apply to Great Britain (GB). To ensure the costs and benefits we have modelled are for GB only, we use ONS population statistics to look only at England, Wales and Scotland

Carers' rights and support in the future

Our call for the introduction of a statutory entitlement to paid Carer's Leave is the next step in better supporting unpaid carers to remain in the workplace, building on the positive developments secured through the Carer's Leave Act 2023.



But legislating for paid Carer's Leave is only part of the solution. If we are to tackle the challenges of our ageing population and support people to stay in paid work for longer, then the UK needs a longer-sighted vision which matches the challenges we face, supports our economy, keeps productivity higher and meets families' expectations.

As a result, any longer-term workforce projections need to factor in the provision of unpaid care as a risk to participating in work, and to health, and we need to develop a positive pathway for the future.

To make this a reality, there are other changes that we want to see introduced which would support unpaid carers to remain in work.

As a first step we need a full and independent review into issues relating to work and unpaid care reconciliation, to better understand the range of policy interventions and shifting practice within job roles, to ensure that more unpaid carers are able to remain in the labour market.

We also need fresh thinking about the role of social care and a wider understanding that this is critical, just as childcare is fundamental, to unpaid carers being able to participate in paid work. Social care needs to move from piecemeal to longer-term sustainable funding to stabilise the care market and provide a system where families know what they are entitled to and can be confident they will receive the support they need.

A free entitlement to social care could also be explored to see whether this would boost labour market participation.

In order to consistently raise awareness of unpaid caring and have services and employers adjust practice more consistently, we are also recommending a change to the Equality Act 2010 to make caring the 10th protected characteristic. This would make current discrimination rights much easier to understand, and ensure better consistency.

It is also vital that a new and ambitious National Carers Strategy is developed and funded by the UK Government over the next ten-years, and that it includes measures to support unpaid carers to juggle paid work alongside their unpaid caring responsibilities.

Any new strategy should include commitments to a substantial review of Carer's Allowance and associated benefits, to ensure these are fit for purpose and that eligibility criteria never act as a disincentive to work, and a commitment to continue to strengthen flexible working entitlements, including a review of the recent legislation passed through the Employment Relations (Flexible Working) Act 2023.

It's now time to build on previous success and take the next steps to ensure more carers can remain in, or return to, work when they wish to do so.



Annex one – modelling the costs of legislating for paid Carer's Leave

Carers UK has undertaken a modelling exercise to explore what it would cost HM Treasury if a new statutory right was introduced during this Parliament to provide all employees in Great Britain who have unpaid caring responsibilities with five days of paid Carer's Leave per year.

Based on our modelling, there are potential net gains to HM Treasury by implementing this policy, depending on the exact policy design. While there are some initial 'upfront costs' to the Treasury, there are also potential savings in terms of reduced social security payments and the retention of tax and National Insurance payments to the Exchequer. In our modelling we have not counted business productivity costs, but they would be an additional benefit.

We estimate that the 'upfront' cost to HM Treasury if legislation was passed to introduce a policy of five days of paid Carer's Leave would be between £5.5million – £32 million per annum (depending on the rate of payment decided upon, an estimated take-up rate of 5%, and with the average eligible employee taking 2.5 days of paid Carer's Leave per year).

Once certain 'direct' savings (eg, recouped income tax and National Insurance) are applied to the upfront cost, we estimate legislating to introduce the policy would cost HM Treasury between £4.5 million – £26 million per annum to implement. We also estimate 'other' savings would be made that would reduce the cost of implementation further still.

The optimum policy would see working carers receive full pay when they took up any entitlement to paid Carer's Leave. As such, our modeling suggests that the total cost to HM Treasury per annum of legislating for employees to have a statutory right to five days of paid Carer's Leave per annum would be £26 million.

It should be noted that, if employers themselves were to bear the responsibility/cost of their employees taking paid Carer's Leave, we anticipate the upfront implementation costs for HM Treasury would be significantly lower than the figures cited in our model.

Variables to consider when modelling for the introduction of paid Carer's Leave

We have considered several variables when modelling how much it would cost HM Treasury to implement a policy to provide all eligible employees in Great Britain who have unpaid caring responsibilities with five days of paid Carer's Leave a year – these variables include:

- 1 The number of employees with caring responsibilities who would be eligible to take paid Carer's Leave:** The Family Resources Survey (2021/22) suggests 2,096,000 employees are informal carers in the United Kingdom.³⁴ Since employment matters are devolved in Northern Ireland (NI), the policy would only apply to Great Britain (GB). To ensure the costs and benefits we have modelled are for GB only, we use ONS population statistics³⁵ to look only at England, Wales and Scotland – this is the same method the Government used for its Impact Assessment for the Carer's Leave Act 2023,³⁶ but uses the most up to date version of the Family Resources Survey available (2021/22). It shows that the number of eligible carers who are employees in GB is 2,010,000 – this is the figure we have based our costing estimates on.
- 2 The take-up rate of the policy (ie, the number of carers who would take any entitlement to paid Carer's Leave per year):** Research conducted by CIPD and University of Sheffield suggests 9% of employees currently have access to 'paid leave for carers'.³⁷ Of the employers who already offer paid Carer's Leave, and who shared their data with us, the average take-up rate of their policies was 5%.
- 3 Number of days of paid Carer's Leave taken by each eligible employee per year:** Our evidence from employers (who already offer paid Carer's Leave to their employees on a non-statutory basis) shows that, on average, their eligible employees only take 2.5 days of paid Carer's Leave per year.

³⁴ <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2021-to-2022>

³⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections>

³⁶ https://publications.parliament.uk/pa/bills/cbill/58-03/0023/hcb23_carer's_leave_IA_31-08-22v3.pdf

³⁷ https://www.cipd.org/globalassets/media/comms/news/a1supporting-working-carers-2_tcm18-80339.pdf

4 Rate of payment when compensating employees who take paid Carer's Leave:

The rate (or percentage of their pay) at which employees would be compensated when taking advantage of paid Carer's Leave also has a significant impact on the potential cost of the policy. The potential options for the rate of payment / percentage of pay that we have looked at through our modelling include:

- a Full pay: £640 a week (£128 per day / £33,280 a year). This is based on ONS data for median weekly pay for full-time employees (April 2022 – latest data available).³⁸
- b 80% of full pay: £512 a week (£102.40 per day). Based on same data as above.³⁹
- c Statutory Maternity Pay (SMP): £172.48 a week (£34.50 per day) at 2023/24 rates.⁴⁰
- d Statutory Sick Pay (SSP): £109.40 per week (£21.88 per day) at 2023/24 rates.⁴¹

To ensure no working carers lose out financially as a result of taking paid Carer's Leave, our recommended rate of compensation is full pay.

Estimated upfront cost to HM Treasury of introducing paid Carer's Leave

We estimate that, based on evidence we have from others' research and from the employers who already offer their employees paid Carer's Leave on a non-statutory basis, the average take-up rate of a paid Carer's Leave policy will be 5%, and the average number of days taken per employee will be 2.5 per year.

Based on these assumptions, as 2,010,000 employees in Great Britain would be eligible to take Carer's Leave, we estimate that legislating to introduce paid Carer's Leave would have an upfront cost to HM Treasury of the following (per annum), based on the different rates of payment outlined above:

- Full pay: £32 million.
- 80% of pay: £26 million.
- Statutory Maternity Pay: £9 million.
- Statutory Sick Pay: £5.5 million.

Estimated savings to HM Treasury by introducing paid Carer's Leave

The modelling set out above only takes account of the 'upfront' cost to HM Treasury of legislating to introduce paid Carer's Leave. Set against these figures, we suggest that HM Treasury would make a number of significant savings as a result of implementing the policy, including both 'direct' and 'other' savings:

Direct savings:

- £1-6 million per year (depending on rate of payment of Carer's Leave), through continued payment of National Insurance and income tax on the income that unpaid carers would still be earning while taking advantage of their paid (as opposed to unpaid) Carer's Leave.

Other savings:

- £1.5 million per year in continued payment of income tax and National Insurance by employees who wouldn't have to give up work to care.
- £39 million per year through a 1% decrease in the number of people claiming Carer's Allowance through the introduction of paid Carer's Leave.

Collectively, these 'direct' and 'other' savings add up to over £40 million per annum, meaning our modelling suggests HM Treasury would make a net gain as a result of implementing a new statutory entitlement to paid Carer's Leave. These calculations also exclude the additional productivity savings that businesses would accrue by supporting their employees to stay in work alongside their unpaid caring responsibilities.

Please see more detail, and our workings for these estimated savings, below.

³⁸ Based on ONS data for median weekly pay for full-time employees (April 2022 – latest data available) <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2022>

³⁹ Ibid.

⁴⁰ <https://www.gov.uk/maternity-pay-leave/pay>

⁴¹ <https://www.gov.uk/statutory-sick-pay>

'Direct' savings:

- **HM Treasury would recoup some of the upfront cost of legislating for paid Carer's Leave through the continued payment of National Insurance (NI) and income tax on the income that unpaid carers would still be earning while taking advantage of their paid (as opposed to unpaid) Carer's Leave.** Someone on the average median salary (£33,280) pays £6,536 a year in income tax and NI contributions – or £125.70 a week / £25.14 a day. The continued payment of these would therefore significantly reduce the upfront cost to HM Treasury.
 - a Using our central assumption that the take-up rate of the policy would be 5% and the average number of days taken per employee would be 2.5 days, this would save HM Treasury £6 million against the upfront costs cited above if the employee received full pay for the time taken as paid Carer's Leave.
 - i *It would save HM Treasury £5 million if employees were paid 80% of pay when taking paid Carer's Leave.*
 - ii *It would save HM Treasury £2 million if employees were paid at level of SMP when taking paid Carer's Leave.*
 - iii *It would save HM Treasury £1 million if employees were paid at level of SSP when taking paid Carer's Leave.*
 - b When applied to the up-front costs cited above, this would leave a total cost to HM Treasury of the following, based on different rates of payment:
 - i *Full pay: (£32 million minus £6 million =) £26 million*
 - ii *80% of pay: (£26 million minus £5 million =) £21 million*
 - iii *MP: (£9 million minus £2 million =) £7 million*
 - iv *SSP: (£5.5 million minus £1 million =) £4.5 million*

'Other' savings:

Our modelling also suggests that HM Treasury would make significant 'other' savings as a result of legislating for a statutory entitlement to paid Carer's leave. These include:

- **If carers were able to take paid Carer's Leave as a statutory right, we believe that more carers would be able to remain in work alongside their unpaid caring responsibilities.** Our evidence suggests that as many as 600 carers a day are having to give up work entirely to care, due to a lack of support.⁴² In our State of Caring 2022 survey, 5% of respondents said that without access to paid Carer's Leave, they were at risk of reducing their working hours, and 6% said they were at risk of giving up work completely.⁴³ The total public expenditure costs of carers leaving employment are estimated at approximately £1.2 billion a year, due to forgone taxes.⁴⁴
- **There is a reduction in income tax and NI paid to HM Treasury for every employee who has to give up work to care because of the gap between a carer leaving work and the time it takes for their employer to recruit a replacement worker.** We calculate that even one week's gap would result in loss of income tax and NI revenues to HM Treasury, per employee, of £125.70 (based on ONS figures for average median earnings). Our research shows, on average, 600 carers a day are leaving work to care.⁴⁵ This could mean that HM Treasury is losing out on £377,100 a week that could be saved if these people hadn't had to give up work to provide unpaid care. We conservatively estimate for the purposes of this paper that it would take, on average, four weeks to hire a replacement worker. Therefore, the amount HM Treasury could save would be £1,508,400 or more.
- **There are also a number of productivity benefits that business could gain by supporting their employees to stay in work, reducing their staff turnover; for example, it is estimated that the loss of an employee is equivalent to between 1.5 to 2 times their salary.⁴⁶** Please note, we have not used these figures in our costing calculations.

⁴² <https://www.carersuk.org/media/no2lwyl/juggling-work-and-unpaid-care-report-final-web.pdf>

⁴³ <https://www.carersuk.org/media/p4kblx5n/cukstateofcaring2022report.pdf>

⁴⁴ Pickard, L. et al., *Public expenditure costs of carers leaving employment*, 2015-16 (2017) LSE Health & Social Care, London School of Economics and Political Science (<https://onlinelibrary.wiley.com/doi/full/10.1111/hsc.12486>)

⁴⁵ <https://www.carersuk.org/media/no2lwyl/juggling-work-and-unpaid-care-report-final-web.pdf>

⁴⁶ <https://www.gallup.com/workplace/247391/fixable-problem-costs-businesses-trillion.aspx>

- By supporting more people to remain in, or undertake more, paid employment by legislating for paid Carer's Leave, we would expect that the amount of money paid out by HM Treasury in Carer's Allowance would decrease.** The public expenditure costs of carers leaving employment (in England) have been estimated to be £1.7 billion a year, based on the costs of Carer's Allowance (as well as Income Support and Housing Benefit) payments.⁴⁷ When carers are unable to work (and they meet certain eligibility criteria), they are able to claim Carer's Allowance of £81.90 (2024/25 rates) a week. While you can earn up to £151.00 a week and still claim Carer's Allowance before you reach the earnings threshold, the vast majority of carers in receipt of Carer's Allowance do not currently have earnings from paid employment.⁴⁸ Data available from DWP (February 2023) shows 966,677 people were in receipt of payment for Carer's Allowance. This has a total weekly cost to the Exchequer of £74.2 million. Therefore, a 1% decrease in the number of people claiming Carer's Allowance through the introduction of paid Carer's Leave could result in a saving of £741,925 per week (£38.6 million per year) for HM Treasury, while a 5% reduction in the number of people claiming Carer's Allowance could result in savings of £3,709,623 per week (£192.9 million per year).



⁴⁷ Pickard, L. et al., *Public expenditure costs of carers leaving employment*, 2015-16 (2017) LSE Health & Social Care, London School of Economics and Political Science (<https://onlinelibrary.wiley.com/doi/full/10.1111/hsc.12486>)

⁴⁸ DWP estimate that only 175,000 (less than 1 in 5) of Carer's Allowance recipients were declaring earnings to the department in 2020/21.

Annex two – International examples of different types of paid Carer’s Leave

The UK was the first adopter of many policies to support carers and was emulated by other countries and carers’ organisations around the world. However, the UK has now fallen behind other nations in terms of the support that carers receive to help them juggle paid employment and unpaid care. A growing number of countries now offer statutory paid carer’s leave for example

– in contrast to the unpaid leave introduced via the Carer’s Leave Act 2023 in the UK. The Centre for Care – a multi-university research centre that works closely with carers’ groups and others working to improve care – has produced the table below which summarises carers’ entitlements in seven countries that have statutory paid leave.⁴⁹

Country / Terminology	Legislation	First introduced	Eligibility criteria – working situation	Eligibility criteria – person needing care	Details of the leave policy	Pay / compensation	Other
Australia Personal / carers’ leave	Fair Work Act 2009	2005	All full- and part-time employees (excluding casual employees). Accrues from first day of work.	To care for or support a member of their immediate family or household (ie. co-resident non-family) who is: sick, injured, or has an unexpected emergency. Includes care for family living overseas.	Paid carers leave for 10 days per year. It carries over to the next year. Unpaid carers leave is available once this has been exhausted.	Normal wages paid.	Paid sick and carer’s leave comes under the same leave entitlement.
Canada Compassionate care leave (CCL)	Amendment to Canada Labour Code	2004	Workers must have 600 insured hours of work. Self-employed workers are eligible if registered for Employment Insurance.	To care for a family member with a serious medical condition with a significant risk of death within 26 weeks. Certification by a medical practitioner is required.	Maximum length varies but most jurisdictions provide 27 or 28 weeks leave. Leave can be shared with a family member.	Can claim up to 55% of salary, up to a maximum of \$650 per week (funded through employment insurance).	Also offers Family Responsibility Leave of 3-12 days depending on jurisdiction.

⁴⁹ This table is from Hamblin, K., Heyes, J. and Fast, J. (eds.) (in press, 2024) *Combining Work and Care: Carer Leave and Related Employment Policies in International Context*, Bristol, The Policy Press.

Country / Terminology	Legislation	First introduced	Eligibility criteria – working situation	Eligibility criteria – person needing care	Details of the leave policy	Pay / compensation	Other
Finland Job alternation leave (JAL)	Act on Job Alternation Leave	2003	Employees must: have been with the same employer for at least 13 months. have been in employment for at least 20 years; be working at least 75% of full time hours.	Allows employees to take an extended period of time off work for no specific reason.	Between 100 – 180 days, can be extended if employer agrees. Employer must hire an unemployed jobseeker.	Entitled to job alternation allowance – 70% of the unemployment allowance.	Also offers Family Leave for ‘compelling family reasons’. This is unpaid and the employer can refuse requests.
Germany Family Care Leave	Act to Improve Compatibility between Family, Care and Work	2015	Short term leave is universal. Long term leave is not statutory for small and medium sized companies.	To organise or provide care for a close relative.	Short term – max 10 working days. There are two long term options. Care Leave – full or partial release from work for up to 6 months. Family Care Leave – temporary reduction in working hours for up to 24 months.	Care Support Allowance – usually 90% of lost net pay. This is paid by the long term care fund with whom the person in need of care is insured.	An interest-free loan from the German government is available for those taking long term leave.
Italy Carers leave	Law No. 183/2010	2000	All employees.	Short term leave is available to parents and close relatives, even when not living together. Long term leave is restricted to those living with a ‘severely disabled’ relative.	Short term leave – three working days per month. Can be taken in half days or on an hourly basis. Long term leave – up to two years of paid leave. Principle of ‘sole carer’ – only one worker in a household can care for a person.	Normal wages paid, up to an earnings ceiling (adjusted over time according to inflation).	-

Country / Terminology	Legislation	First introduced	Eligibility criteria – working situation	Eligibility criteria – person needing care	Details of the leave policy	Pay / compensation	Other
Japan Family Care Leave	Child and Family Care Leave Act	1999	All employees. Workers on fixed term contracts must: have been with their employer for at least one year; and have at least 93 days and 6 months left on their contract from the start date of the care leave.	To care for a family member needing care due to injury, illness or physical or mental disability that requires more than two weeks of constant care	Up to 93 days of leave, can be taken flexibly in up to three instalments.	Compensation of up to 67% of salary through employment insurance system.	Unpaid short term carers leave is also available.
Sweden Compassionate Care Leave	National Social Insurance Act	1989	All employees.	To care for a person with a serious or life threatening illness. Both the carer and person cared for must be insured in Sweden. Medical certificate required.	Max 100 days (240 days for person with HIV). Can be shared between family members or others.	Compensation up to 80% of salary.	-



Across the UK today 5.7 million people are carers – supporting a loved one who is older, disabled or seriously ill.

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