

#DAY1FOREVERYONE

Make UK proposal to make SSP available from Day 1

Background

1. In recent years manufacturers have realised that to keep the highly skilled staff that they have trained and invested in, it is vital to look after the 'whole person' and their wellbeing. No longer is it enough to provide good working facilities and a nice canteen, the mental wellbeing of every employee is business critical. While physical illness has typically dominated sickness absence from the manufacturing workplace, Make UK's latest research revealed that an increasing number of both short-term and long-term sickness absence was due to mental health.
2. Manufacturing employers are aware of this and taking action. Mental health as an issue has dramatically moved up the agenda for businesses, and that is demonstrated by the fact that some 29% of businesses now have a board director responsible for the mental health of employees, while a further 22% have a designated senior manager taking responsibility for that role. This is a welcome sign and shows the importance that is being placed on health and wellbeing in the workplace. More than one-third (34%) of companies say that overall responsibility sits with HR, which can still be a board-level post. A handful (9%) of companies said nobody has overall responsibility for mental health in the workplace so there is still work to be done.
3. Although there are many ways to support employees, among the most utilised is bespoke third-party mental health advice, which just over half use (57%). A further 55% use line manager support, with line managers specifically trained in mental health. Other support includes the offer of mental health apps, which 30% of companies use; 35% have in-house mental health support and 24% use focus groups to discuss challenges and provide peer to peer support. There is no one single support measure when it comes to offering the correct support. Usually, the answer is a mix of different support – anything from simple signposting to the ability to call upon a colleague or the availability of a third-party contact to discuss how an employee is feeling. All employees are different and should be celebrated for their differences. Equally, all will need different support and will go through different challenges. Yet, despite this, 14% of manufacturers do not offer any specific support regarding mental health.
4. The question that then needs addressing is – why? Why aren't more employers offering specific support to their employees with regards to mental health? The answer is that barriers still remain, even for those companies that are offering support in this space. There are a range of barriers cited including time constraints, lack of employee engagement and a lack of subject knowledge. The barrier that this proposal seeks to directly help address is monetary cost, cited by one in five (22%) manufacturers – while it won't offer direct support for employers to provide programmes and initiatives it will help them provide an environment where employees who have poor mental health don't feel they must come into work. It also helps address the wider barriers such as awareness of employees' poor mental health by ensuring that it is seen as a reason for absence alongside physical illnesses.

The case for making Statutory Sick Pay available from day one

5. According to **Mind's 2020/21 Workplace Wellbeing Index**, only 10% of private sector employees who would benefit from taking time off when experiencing poor mental health will always or often take time off. More than half (51%) will always go to work and one in five (21%) will often go to work. These figures are stark and need addressing.
6. While Make UK's research revealed that mental health and indeed stress were increasingly being cited as reasons for both short and long-term sickness absence, it is likely that the true impacts of mental health are not yet being captured and that employees with poor mental health are still coming into work. One of the reasons for this is likely to be the fact that they do not have access to Statutory Sick Pay (SSP) until day four.

Statutory Sick Pay – Background

An employee can currently get £96.35 per week Statutory Sick Pay (SSP) if they're too ill to work. It's paid by their employer for up to 28 weeks. An employee cannot get less than the statutory amount. SSP is paid when the employee is sick for at least four days in a row (including non-working days unless their employment contract states otherwise). A sick day cannot be counted if an employee has worked for a minute or more before they go home sick.

An employee can get more if their company has a sick pay scheme (or 'occupational scheme') – this is stated in an employee's employment contract. Many manufacturing employers we speak to offer enhanced sick pay schemes as an additional benefit as part of their wider employment offer.

Currently if an employee's illness is related to COVID they are able to claim SSP from day one. This includes if that person or someone they live with have tested positive for COVID, or they've been pinged by the NHS app or they have been advised to self-isolate by a doctor ahead of going into hospital for surgery. Since 13 March 2020 SSP has been paid from the first 'qualifying day' an employee is off work, as long as they are off for at least 4 days in a row. This includes non-working days.

An employer can reclaim up to 2 weeks' SSP if all of the following apply:

- The employee was off work because they had COVID-19 or were self-isolating
- The employee was off work because they were shielding - before 26 April 2021 in Scotland, before 12 April 2021 in Northern Ireland and before 1 April 2021 in England and Wales
- The employer's PAYE payroll scheme started on or before 28 February 2020
- The employer had fewer than 250 employees on 28 February 2020
- An employer can reclaim up to £96.35 a week for each employee.

An employer cannot currently reclaim SSP if your employee is off sick for any other reason.

7. There is a strong case then that the sick pay system isn't working for people with poor mental health, deterring employees from taking days off sick even at times of poor mental health. Yet, we know from the pandemic that changing the requirements to allow employees to access SSP from day one (as opposed to day four) can lead to positive impacts.

8. At the beginning of the pandemic Government altered the SSP system to allow employees worried about Covid-19 to access to SSP from day one as opposed to day four. The Government recognised that making people wait risked forcing people to work when they were unwell.
9. More and more people experience times of poor mental health, and the pandemic has undoubtedly exacerbated the issue. There is a strong case then for allowing those with poor mental health to be supported from day one for SSP and not made to choose between taking care of their own mental health or paying for food and bills.
10. When off ill an employee should be focussing on their health and not when SSP comes in or how much SSP covers. Some people will return to work early due to SSP concerns and employees should be encouraged to return when they are fit and healthy and not due to concerns around finances. SSP from day 1 for more than just COVID would allow people who are off sick for mental health problems taking the time they need to recover.

Key statistics

- Two-thirds of adults who already had experience of mental health problems told us that their mental health had declined during the lockdown period.
- 44% of manufacturers cited mental health and stress as the main reasons for short term absence
- 56% of manufacturers cited mental health and stress as the main reasons for long term absence

Example: Waiting days (Current rule Non COVID)

An employee works two days a week, Tuesday, and Thursday. Their contract states that Tuesday and Thursday are 'qualifying days' for SSP. They fall sick on Sunday, 1 March, and are sick for two weeks until Sunday, 15 March. There is a 'period of incapacity for work' (PIW). The first three qualifying days are discounted (Tuesday, Thursday, and the following Tuesday). SSP is paid for the remaining qualifying day (the second Thursday). The employee is entitled to SSP of £47.13 ($94.25 \times \frac{1}{2} = 47.13$).

If you remove the qualifying days an employee will now earn £118.50 for the same amount of time absent.

What would this deliver?

11. This has the potential to benefit employers with a reduction in presenteeism in the workplace, as the statistics from Mind suggest is happening. Long gone are the days where employers needed to see an employee sat at their desk to trust they will do their work. The pandemic perfectly illustrated this with large swathes of the workforce working remotely without direct oversight from employers. Just as employers now trust their employee to work remotely this trust should also extend to taking time off when they need to. Presenteeism is a growing issue with more and more workers turning up to work when arguably they should be calling in sick but instead logging in or coming on site and not performing and at times becoming counterproductive. The goal for any employer is to have their workforce working as much as possible but also performing at a consistently high level. Having employees coming to work when with poor mental health because they can't they afford to wait for SSP to kick in at day 4 you have a workforce present but not performing.

12. Paying SSP from day one will empower employees to take their physical and mental health into their own hands. Taking time off when they need to and returning to the office recovered and reinvigorated. Resulting in a happy and healthy workforce which will perform better. Allowing employees to take early action to protect their mental health will avoid long absences later down the line.
13. SSP from day one has wider benefits and isn't exclusive to managing one's mental health. If an employee with a cold or flu decides to come on site or into the office because they again can't afford to wait for SSP risks infecting staff members with the same cold or flu meaning more of the workforce either going off sick or not performing to the best of their ability.

Support small businesses – recovering SSP costs

14. When SSP was first introduced in 1983, employers were able to reclaim the cost of the payments from the Government. was subsequently replaced by a more limited 'Percentage Threshold Scheme' where employers could reclaim SSP costs which exceeded 13% of their monthly National Insurance liability. This scheme was abolished in 2014. Equally when SSP was tweaked to reflect COVID 19 there was an ability to reclaim provided certain conditions were met. These conditions are highlighted above.
15. We are calling for the ability to reclaim SSP to be reintroduced, specifically to assist with SME's. We are conscious paying SSP will come at a monetary cost to business but feel the return will be felt with productivity. Businesses, and SMEs in particular, need support in order they can pay employees from day one and would seek government intervention to offer some sort of mechanism to facilitate this. Moreover, this model should take account for the fact that for the smallest of businesses, having one employee off sick can significantly impact their business, therefore a recovery model that compensates not just the SSP rates but the loss of potential business, should also be considered. Using the previous recovery model, which businesses are familiar with, is the simplest step to achieving this.

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