

Sick pay and debt

The current level of sick pay at £95.85 a week is too low, and those forced to self-isolate could be pushed into debt. We need an increase in the level of statutory sick pay to the level of the real living wage, and for everyone to qualify for sick pay, no matter what they earn.

Many workers are already struggling with household finances due to the pandemic. A household debt crisis has been looming for the past few years, and without significant intervention, it could hit when a range of temporary support measures end later in the year.

This note sets out new findings on sick pay and debt from a largescale survey carried out by BritainThinks.

The problem with sick pay

Statutory sick pay (SSP) is currently £95.85 per week. This is around one-fifth (19%) of average weekly earnings (£504), meaning that being on SSP for just one week could cost the average employee over £400 in lost earnings. Self-isolating for two weeks on SSP would mean losing out on £816.

A BritainThinks survey, carried out on behalf of the TUC¹, found that almost a quarter (23%) of workers receive only basic SSP if they are off work sick. This equates to around 6.4 million employees. 57 per cent receive their usual pay in full, with 9 per cent telling us they receive nothing. A small percentage of workers receive more than SSP, but less than full pay.

These broad figures mask disparities. For example:

- 26 per cent of women receive only SSP, compared to 21 per cent of men. Male employees are also more likely than female employees to receive their full pay (62 per cent compared to 52 per cent), and less likely to receive nothing (8 per cent compared to 11 per cent)
- The less someone earns, the less likely they are to receive full sick pay. 35 per cent of those earning less than £15,000 per year receive full pay when sick, compared to 87 per cent of those earning over £50,000 per year
- While black and minority ethnic (BME) employees are as likely as white employees to receive only SSP, BME employees are more likely to receive no sick pay at all (12 per cent compared to 9 per cent) and less likely to receive full sick pay (53 per cent compared to 58 per cent)
- Young workers are more likely to receive only SSP, and young workers and older workers are most likely to receive no sick pay at all
- Those working from home are much more likely to receive full sick pay than those who are working outside the home (77 per cent compared to 50 per cent)

¹ BritainThinks conducted an online survey of 2,133 workers in England and Wales between 31st July - 5th August 2020. All respondents were either in work, on furlough, or recently made redundant. Survey data has been weighted to be representative of the working population in England and Wales by age, gender, socioeconomic grade, working hours and security of work in line with ONS Labour Force survey data.