

Maternity, paternity and parental leave

Briefing for a new government



Maternity, paternity and parental leave

A briefing from the UK Women's Budget Group – 2024

Summary

- UK maternity, paternity and parental leave policy design is based on an out-of-date model that does not encourage sharing of care between parents.
- Maternity leave provision is up to 52 weeks of leave, 39 of which can be paid (6 at 90% of earnings and 33 at statutory rate of £184 per week). Statutory paternity leave, on the other hand, comprises a 2-week entitlement paid at statutory rate of £184 per week.
- The shared parental leave policy introduced by the government in 2015 is based on a transfer of maternity leave to the second parent. Transfer of leave models are known to have very limited impact on fathers' take up of parental leave. 'Default policy option' models that provide both partners with an equal share of leave, some of which is transferable, have been shown to be more effective at promoting more gender equal caring.
- Statutory maternity and paternity pay rates are, in relative terms, among the lowest in Europe. The low rate of replacement pay for paternity leave interacts with the gender pay gap, providing significant barriers to fathers using more leave.
- Coverage and eligibility for maternity and paternity leave is a key issue. 28% of women and men in employment do not have access to paid paternity or maternity leave due to either their employment status and/or length of service. With increasing casualisation of working arrangements, there are fears this number will rise and particularly impact some of the most vulnerable workers.

Recommendations

- Six months of non-transferable maternity leave for mothers, paid at 90% of average weekly earnings for the first six weeks, and at least the real living wage rates for the remaining time.
- A one-month non-transferable period of leave for fathers or second parents, to be taken around the time of birth, paid at least at the real living wage rate.
- A six-month use-it-or-lose-it, non-transferable parental leave entitlement for each parent, paid at a flat rate linked at least to the Real Living Wage to replace the existing Shared Parental Leave. Parents should be entitled to this leave in their own right, and have flexibility about how and when to take it, up to 18 months after birth.

The current system

Parental leave policies in the UK are complex and difficult to navigate for parents and employers alike. Leave entitlements remain structured upon a framework that upholds stereotyped gender norms that lead to discrimination against women.

Statutory maternity leave comprises a 52-week entitlement, paid at 90% of earnings for the first 6 weeks, statutory rate of £184 per week for the following 33 weeks, and no replacement pay for the final 13 weeks. Maternity protection is a fundamental right at work, and pregnancy and maternity is a protected characteristic under the UK Equality Act 2010.

Maternity leave can be taken from 11 weeks prior to a baby's due date. It is obligatory for women to take leave for two weeks after childbirth, or four weeks if they work in a factory. Adoption leave provides the same entitlements as maternity leave for the primary adopting parent.

Statutory paternity leave is for fathers and partners of the mother or primary adopter and consists of two weeks of leave paid at statutory rate of £184 per week.

Eligibility

Eligibility for maternity leave and maternity pay is based on employment status, since the woman claiming maternity leave must be classed as an employee, rather than a worker or self-employed. To be eligible for maternity pay, mothers must meet an earnings threshold of £123 per week before tax and have worked for their employer continuously for at least 26 weeks into the 'qualifying week', which is the 15th week before the expected week

of childbirth.

Some women not eligible for statutory maternity leave and pay are eligible for maternity allowance, which is paid at either £184 per week or 90% of average earnings for 39 weeks (whichever is less), or £27 a week for 39 weeks, or £27 a week for 14 weeks, dependant on the mother's circumstances. Maternity Allowance, however, is classified as a benefit, which means that it is treated as an income for Universal Credit and is deducted in full. There is no six-week period paid at 90% of earnings for people eligible for maternity allowance.

To be eligible for paternity leave, fathers and partners must be classed as an employee and have worked for their employer continuously for at least 26 weeks up to the qualifying week. To be eligible for paternity pay, fathers and partners must also earn at least £120 per week before tax.

Shared Parental Leave and Pay

Shared Parental Leave and Statutory Shared Parental Pay was introduced in April 2015. This allows the mother or primary adopter to end their maternity/adoption leave from any time after two weeks of leave and transfer the remainder to the other parent if they wish. Fathers and partners do not have an independent right to parental leave beyond the two weeks of low-paid paternity leave.

Since Shared Parental Leave (SPL) is effectively a transfer of maternity leave to the mother's partner, eligibility for SPL is based on the mother's eligibility for maternity leave and pay. This means that if the mother or primary adopter does not qualify for either maternity pay or maternity allowance then their partner will not qualify for shared parental leave.

Problems with the current system

Parental leave and gender inequality

The birth of a first child is a pivotal moment in how couples organise responsibility for childcare throughout their lives and is foundational in forming and perpetuating gender inequality¹.

Use of parental leave in the UK, as in most other countries, is highly gendered. Time away from the labour market affects skills and experience which affect human capital, and when time away from the labour market is inequitably distributed, women bear the brunt of care penalties through discrimination, loss of human capital and the gender pay gap. Disparities in use of leave by women and men negatively impact on women's salaries and career progression across the board, not just mothers', because it leads to discrimination which affects all women².

There are indications that discrimination against pregnant women increased during the Covid pandemic. In a survey of 20,000 women, 11% of pregnant women said they 'had been made redundant or expected to be made redundant'³. Of these, 53% believed their pregnancy was a factor in their redundancy (a figure that rises to 67% of BAME pregnant women).

Parental leave policy design has the potential to

recalibrate or reinforce patterns of gender inequality that become embedded as a result of gendered caring norms. EU legislation introduced in 2010 has informed a host of changes to leave configurations across Europe, aimed at increasing fathers' use and couples' sharing of leave, through the introduction of gender-neutral entitlements and father incentives ('daddy quotas') in several countries. The UK policy design lags behind these shifts.

Affordability and take up of Shared Parental Leave

Take up of the Shared Parental Leave policy has been low, with the Government's Shared Parental Leave Evaluation in 2024 finding that only 4% of fathers surveyed had taken it⁴. Research has found that take-up is highest among dual-earner professional couples, or where the mother earns more than her partner⁵.

The low rate of paternity and shared parental leave pay for UK fathers makes it unaffordable for many families. Some fathers take annual leave upon the birth of their child instead of, or in addition to, paternity leave⁶. A number of surveys have found that some employers top up statutory paternity pay (between 54% and 81%) but many do not⁷. In addition, mothers' existing statutory entitlements, and often enhanced entitlements, are significantly longer than fathers⁸. These two factors work together to reinforce gendered caring norms.

¹ Sundström, M. and Duvander, A. E. (2002) Gender division of childcare and the sharing of parental leave among new parents in Sweden, *European Sociological Review*, 18(4), 433-447.

² Castro-García, C. and Pazos-Moran, M. (2016) Parental leave policy and gender equality in Europe, *Feminist Economics*, 22(3), pp51-73

³ Pregnant Then Screwed (2020) The true scale of the crisis facing working mums (<https://bit.ly/2M3qPW5>)

⁴ GOV UK (2024). Shared Parental Leave (SPL) evaluation - GOV.UK (www.gov.uk)

⁵ Birkett, H. & S. Forbes (2019): Where's dad? Exploring the low take-up of inclusive parenting policies in the UK (<https://bit.ly/37ow6ij>)

⁶ O'Brien, M., Connolly, S., Speight, S., Aldrich, M. and Poole, E. (2015) 'Father involvement with young children in the contemporary United Kingdom', in Adler, M. A. and Lenz, K. (eds) *Father involvement in the early years: an international comparison of policy and practice*, Bristol: The Policy Press

⁷ Burgess, A. and Davies, J. (2017). Cash or carry: fathers combining work and childcare in the UK (<https://bit.ly/2QKAnSG>)

⁸ CIPD (2016). Labour market outlook: focus on working parents (<https://bit.ly/2QOoz1D>)

The introduction of Shared Parental Leave intended to address this disparity. However, research shows that fathers tend to make use of well-paid, non-transferable parental leave entitlements⁹, while their use of shared or transferable entitlements is much more limited¹⁰. It is not surprising therefore that the new policy has seen low uptake, since transfer models do not lead to increases in fathers' uptake.

Some research has found that the shared policy in the UK has resulted in some couples regarding the transfer as a 'gift exchange' from one partner to the other¹¹, failing to meaningfully promote fathers' use of parental leave and doing little to tackle fixed gender roles that disadvantage women¹². There is emerging evidence that some women are reluctant to relinquish their allocated time with the child in order for their partner to use it¹³.

Parental leave policy and the gender pay gap

Parental leave policy design also interacts with the gender pay gap. Women in heterosexual partnerships often earn less than their male partners; in 72.4% of heterosexual couples the man earned more than the women¹⁴. Finances are a central factor in couples' decision-making when it comes to planning family leave to care for a new

baby and, due to the gender pay gap, on average, women are paid less than their male partners. Moreover, given government parental leave policies do not provide fathers with a well-paid portion of leave, the majority of heterosexual couples stand to lose a greater proportion of their household income if the father stays at home, acting as a further disincentive to fathers' use of leave¹⁵. This is supported by evidence from Sweden, which indicates that lack of economic constraint is associated with increases in the number of days leave that fathers use¹⁶.

Coverage

Coverage is a key problem with parental leave policy. Maternity leave is a 'day one right' whereby women qualify for up to 52 weeks off no matter how long they have worked for their employer prior to the baby's arrival.

Maternity pay and paternity leave is a different matter with stricter eligibility criteria (see 'Eligibility' earlier in the briefing). Eligibility criteria based on employment contract type and length of service mean that a significant proportion of people in employment cannot access paid maternity/paternity benefits, with concerns rising about the impact of increasing precarity and casualisation on access to parental leave¹⁷.

⁹ Castro-García, C. and Pazos-Moran, M. (2016) Parental leave policy and gender equality in Europe, *Feminist Economics*, 22 (3), 51-73

¹⁰ Haas, L. and Rostgaard, T. (2011) Fathers' rights to paid parental leave in the Nordic countries: consequences for the gendered division of leave, *Community, Work & Family*, 14(2), 177-195

¹¹ Moss, P., and Deven, F. (2006) Leave policies and research, *Marriage & Family Review*, 39 (3-4), 255-285

¹² O'Brien, M. and Twamley, K. (2016) Fathers taking leave alone in the UK – a gift exchange between mother and father? (<https://bit.ly/2yireJZ>)

¹³ My Family Care (2017) Shared parental leave - where are we now? London: My Family Care; Ndzi, E. G. (2018). Report on the challenges of Shared Parental Leave: why mothers may or may not want to share their maternity leave, Hatfield: University of Hertfordshire; Birkett, H. & S. Forbes (2019) Where's dad? Exploring the low take-up of inclusive parenting policies in the UK (<https://bit.ly/37ow6ij>)

¹⁴ Royal London, (2020) Rise of the female breadwinner: Woman earns the most in one-in-four households, <https://www.royallondon.com/about-us/media/media-centre/press-releases/archive/female-breadwinner-rise/>

¹⁵ Batljan, I., Tillander, S., Ljungh, S., and Sjöström, M. (2004). Föräldrapenning, pappornas uttagav dagar, fakta och analys [Parental insurance, fathers' take up of days, facts and analysis], Stockholm: Regeringskansliet, Socialdepartementet; Brandth, Berit and Kvande, E. (2013) Free choice or gentle force? how can parental leave change gender practices, in Kjørholt, A. and Qvortrup, J. (eds) The modern child and the flexible labour market: early childhood education and care. pp56-71, Basingstoke: Palgrave Macmillan

¹⁶ Haas, L., Allard, K. and Hwang, P. (2002) The impact of organizational culture on men's use of parental leave in Sweden, *Community, Work & Family*, 5(3), 319-342

¹⁷ McKay, L., Mathieu, S. and Doucet, A. (2016) Parental-Leave rich and parental-leave poor: inequality in Canadian labour market based leave policies (<https://bit.ly/3b2ZLJO>)

Principles for maternity, paternity and parental leave

Data on take-up and access to paid leave is scarce, but research from 2018 suggests that self-employed people and those working in casual, flexible or low-paid roles have reduced access to paid leave, with more than a quarter (28%) of men and women in employment lacking access to paid paternity or maternity leave¹⁸.

Among new parents, 27% of employed fathers who had a child in the last year were not eligible for paid paternity leave due to their employment status, with 20% ineligible due to self-employment and 7% because they had been employed for under 6 months¹⁹. For employed mothers, 16% of those who had a child in the last year were not eligible for paid maternity leave, either because their earnings fell below the economic activity test earnings threshold (7%), because they were self-employed (7%) or did not meet the continuous employment condition (2%). Furthermore, 4% of new mothers were not eligible for the maternity allowance payment²⁰.

Groups with the lowest eligibility for paid maternity and paternity include young employees, both men and women of Pakistani origin, people working in intermediate, semi-routine or routine occupations, and men working in male-dominated industries²¹.

Awareness

Compounding these factors is the fact that there is low awareness of parental leave policy and significant complexity in administering it. The policy is complicated for individuals, managers, and HR support professionals to navigate.

- Each parent should have an individual right to time off and pay, reserved just for them; this has been shown in other countries to reduce gender inequality.
- Maternity leave is important because mothers need to recover from childbirth and may breastfeed their new baby.
- Leave for fathers to care for their infant alone is important to lay the ground for fathers' role in caring for children.
- The system must be simple and easy to understand for both parents and employers while enabling flexibility for parents, including some time off together if that's what they want.
- At around 25 per cent of the median UK salary, current rates of maternity and paternity leave are among the lowest in the OECD²². The Government should consider increasing the statutory payment rate to ensure all families can afford to meaningfully share caring responsibility.
- All parents should be able to access the period of paternity leave no matter how long they have worked for their employer.
- In an age of increasing casualisation, this has significant implications for some of the most precarious workers and those with the lowest incomes. Self-employed mothers, who can be eligible for maternity allowance, are also disadvantaged. Maternity Allowance is paid up to the same rate of £184.03 per week but does not include entitlement to the first six weeks paid at 90% of earnings, meaning that self-employed mothers miss out on the well-paid part of the leave.
- To address these coverage problems, greater clarity is required over statutory definitions of,

¹⁸ Aldrich, R. et al. (2018) Inequalities in access to paid maternity & paternity leave & flexible work, London: UCL.

¹⁹ Ibid.

²⁰ Ibid.

²¹ O'Brien, M. et al., op. cit.

²² Chzhen, Y., Gromada, A. and Rees, G. (2019). Are the world's richest countries family friendly? Policy in the OECD and EU, Florence: Unicef

and protections linked to, employment status. In particular, information about the national insurance and tax contributions that self-employed and 'worker' status individuals need to make in order to secure access to paid family-friendly statutory support should be improved and made more accessible²³.

- Furthermore, introducing an individual, non-transferable fathers' or partners' only portion of leave (as in the default option model), which is not based on the eligibility status of the mother would also ensure greater coverage and, if combined with a period of higher, earnings-related, pay, promote more gender equal caring.
- The system should ensure that parents have the right to return to the same job after taking leave and protected by law from losing their job during their leave or when they return to work, through discrimination or redundancy.
- Parental leave and pay policies should work alongside a flexible by default UK labour market and a more affordable childcare system that is available and ensures work pays from the day parents return to employment
- In addition, WBG would like to see the inclusion of an earnings-linked system that offers significant well-paid periods of leave (defined at 66% or above of earnings) for both mothers and fathers/partners.

- A six-month use-it-or-lose-it, non-transferable parental leave entitlement for each parent, paid at a flat rate linked at least to the Real Living Wage to replace the existing Shared Parental Leave. Parents should be entitled to this leave in their own right, and have flexibility about how and when to take it, up to 18 months after birth.

UK Women's Budget Group, June 2024

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Recommendations

- Six months of non-transferable maternity leave for mothers, paid at 90% of average weekly earnings for the first six weeks, and at least the real living wage rates for the remaining time.
- A one-month non-transferable period of leave for fathers or second parents, to be taken around the time of birth, paid at least at the real living wage rate.

²³ Aldrich, R. et al. (2018) Inequalities in access to paid maternity and paternity leave & flexible work, London: UCL.

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