

Statutory Sick Pay Policy Principles: Employee entitlement to Statutory Sick Pay at the point of transition to the new Statutory Sick Pay system on 6 April 2026.

From 6 April 2026 the Government is:

- Removing the Lower Earnings Limit (LEL) as an entitlement criterion to make Statutory Sick Pay (SSP) available to all employees regardless of their weekly earnings. The changes being introduced mean that the rate of SSP will be 80% of an employee's average weekly earnings or the current flat rate, whichever is lower. (For the purposes of the following guidance we refer to average weekly earnings (AWE) this means normal weekly earnings which is the language of the SSP legislation).
- Removing waiting days from the SSP system and amending the Period of Incapacity for Work, so that eligible employees are entitled to SSP from their first full day of sickness absence, rather than the fourth.

Those employees earning below the LEL who become eligible on 6 April 2026

- Those off sick on 6 April 2026, or within a linked period thereafter, but who were not previously entitled to SSP due to earning below the LEL, will be eligible for SSP from 6 April 2026 onwards.
- As an example, an employee who currently earns below the LEL (e.g. £110pw) who is off sick on 4th, 5th, 6th and 7th April, would not be entitled to SSP prior to 6 April 2026, but will be entitled to SSP on their qualifying days from 6th April onwards. (See example scenario below – **To Follow**).

Employees who are serving waiting days on 6 April 2026

- An employee who has not completed their waiting days on 6 April 2026 will be entitled to SSP on 6 April 2026 and onwards, where this is a qualifying day. If an employee, prior to the changes introduced by the Employment Rights Act 2025 have been, on their 1st, 2nd or 3rd waiting day on 6 April, they will be entitled to SSP from the 6 April and subsequently.

Calculating 80% average weekly earnings and application of linking period

- Those earning below the SSP weekly flat rate will be entitled to SSP at the rate of 80% of their AWE. Average weekly earnings, referred to as normal weekly earnings are defined in Regulation 19 of the Statutory Sick Pay (General) Regulations 1982. An employee's normal weekly earnings are usually based on the employee's average earnings in the relevant period¹.
- When calculating SSP due, if the payment includes a fraction of a penny, the payment should be rounded up to the next whole number of pence. (See example scenario of Christopher below.).
- Where a Period of Incapacity for Work (PIW) is linked to another Period of Incapacity for Work, the first Period of Incapacity for Work should be used for the purposes of calculating average weekly earnings. Linked Periods of Incapacity for Work (i.e.

¹ The start of the relevant period is the last normal pay day to fall 8 weeks before the critical date. The critical date is the first day of the period of entitlement in relation to which a person's normal weekly earnings fall to be determined. The end of the relevant period is the last normal payday to fall before the critical date.

within 8 weeks of the first) are treated as one. (See example scenarios of Amina and Ellis below)

- As currently, the amount of SSP payable in respect of any day of sickness is the weekly rate divided by the number of days which are the employee's qualifying days. This means that if, for example, an employee's SSP rate is £100.00 (based on 80% earnings) and they have 2 qualifying days per week they will be entitled to £50.00 if they are sick and unable to work on one of their qualifying days (and £100.00 if they are sick and unable to work on both their qualifying days) in that week.

Note: *We are currently working with lawyers to consider how average weekly earnings for those currently earning below the Lower Earnings Limit and who are off sick in the relevant period become eligible for SSP from 6 April 2026 should be calculated. We will update this guidance as soon as possible when these considerations have concluded.*

Transitional Protections for those in receipt of SSP prior to 6 April 2026 who are still off sick and continuing on SSP on 6 April 2026.

- Some of those already in receipt of SSP prior to 6 April 2026 and continuing to receive SSP on 6 April 2026 would see a direct reduction in their rate of SSP.
- The policy intent is for employees negatively affected in this way to be transitionally protected, whilst seeking to minimise complexity for employers, by allowing them to continue to receive the uprated flat rate until:
 - they return to work because they are fit for work/no longer incapable of work,
 - they have exhausted their entitlement (i.e. up to 28 weeks),
 - their contract of employment ends,
 - the start of the exclusion period due to pregnancy (when the Statutory Maternity Pay or Maternity Allowance period begins).
- During this transitional protection period, an employee who earns between £125.00 and £154.05 per week **and** was off sick and **in receipt of SSP** before 6 April 2026 and continues to be off sick on 6 April 2026 will continue to be entitled to the flat rate of SSP at the uprated amount of £123.25 (subject to Parliamentary approval of the uprated SSP rate) for the duration of their continuous sickness absence.
- This would only apply to a continuous sickness absence – the transitional protection period would end when they return to work, when their SSP entitlement ends, their contract ends or the start of the exclusion period due to pregnancy begins (as set out above) whichever is soonest.
- Should an employee return to work and then go off sick again within a period of 56 days, the **new** rate (80% earnings or the flat rate whichever is lower) would then apply to the second (linked) period of absence.
- The transitional protection period will last no longer than 28 weeks. This helps reduce complexity for employers to manage varying rates based on whether an employee's linked period began before, or after, 6 April.
- It is possible to include in systems that anyone off sick and receiving SSP before the 6 April 2026 who continues to be off sick on 6 April 2026 and after will receive the SSP flat rate of £123.25 until they return to work or their period of entitlement ends. This would meet the policy intent to transitionally protect the intended low paid cohort

of employees (i.e. those earning between £125.00 and £154.05 per week) in practice. This is because anyone earning over £154.05 will get the flat rate of £123.25 as the flat rate is lower than 80% of earnings for those earning £154.06 or more.

Impacted employees Scenario Examples

Those employees earning below the LEL who become eligible on 6 April 2026

[Scenario Example to follow]

Employees who, prior to the amendments by the Employment Rights Act 2025, would have been serving waiting days on 6 April 2026

Samira earns **£135** per week and goes off sick on 5 April 26. 5 April 26 is Day 1 of her SSP waiting days. She will be paid 80% of her average weekly earnings (because this is lower than the flat rate) from 6 April 26 as waiting days no longer apply. SSP is therefore payable from Day 2 of her sickness absence until she returns to work, or her period of entitlement (e.g. 28 weeks) ends.

Samira will not be transitionally protected because she was not in receipt of SSP prior to 6 April because she was serving waiting days.

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Any sickness taken 6 April onwards
£118.75	N/A	£108.00 (i.e. 80% of earnings)

Samantha earns **£200** per week and goes off sick on the 5 April 26. 5 April 26 is Day 1 of her SSP waiting days. She will receive the flat rate of SSP from 6 April 26 (because this is lower than 80% of her average weekly earnings) as waiting days no longer apply. She will be paid SSP from Day 2 of sickness absence until she returns to work, or her period of entitlement (e.g. 28 weeks) ends.

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Any sickness taken 6 April onwards
£0 as she serves 1 waiting day on 5 April	N/A	£123.25 (i.e. the flat rate as this is lower than 80% of her earnings)

Calculating 80% normal weekly earnings and application of linking periods

Amina earns **£140** per week and goes off sick on 13 of April 26. Her AWE is £140pw in the 8-week relevant period and her SSP rate will be £112 per week (80% of her average weekly earnings). She returns to work on 4 May 26 for two weeks then goes off sick again on 18 May for a further two weeks. Because the gap between the two sickness periods is less than 56 days, the two spells of sickness link and are treated as one continuous PIW.

During her second spell of illness, rather than being paid 80% of her average earnings for the 8-week period before 18 May, her entitlement remains the same as that calculated for

her initial period of sickness (i.e. £112 per week). This is because where PIWs are linked, the first PIW should be used for the purposes of calculating average weekly earnings.

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Rate for sickness taken 13 April and 18 May
N/A	N/A	£112 (i.e. 80% of her earnings) N.B. This amount will remain the same for any illness taken throughout the linked periods (i.e. any sickness absence taken less than 56 days apart)

Ellis went off sick on 4 May 26 for four days. His average weekly earnings over the 8-week relevant period are £135pw, so his rate of SSP is £108 per week (80% of his average weekly earnings £135pw). Later that month Ellis receives a pay increase, raising his average weekly earnings to £165 per week. He then goes off sick again on 8 June for five days. Because the gap between the two sickness periods is less than 56 days, the two spells of sickness link and are treated as one continuous PIW.

During his second spell of illness, rather than being paid 80% of his average earnings for the 8-week period before 8 June, his entitlement remains the same as that calculated for his initial period of sickness (i.e. £108 per week), even though his earnings have since increased.

Ellis returns to work on 15 June. On 20 November he goes off sick again. This time he has broken the 8 week linking period. As his average earnings in the relevant period prior to 20 November are £165 per week, his SSP rate during his November sickness absence is the SSP flat rate of £123.25. (This is because £123.25 is the lower of 80% of £165)

SSP Rate from 6 April 2026			
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Sickness taken 4 May onwards during a linked period	Any sickness taken after the linked period has been broken
N/A	N/A	£108 (i.e. 80% of earnings) N.B. This amount will remain the same for any illness taken throughout the linked periods (i.e. any sickness absence taken less than 56 days apart)	£123.25 (i.e. the flat rate as this is lower than 80% of earnings)

How rounding rules apply to the payment of SSP

Christopher works 5 days a week but his earnings vary depending on the hours he works. He went off sick on 11 May 26 for 4 days. His average weekly earnings in the relevant period and SSP rate is calculated as follows:

- o Average weekly earnings in relevant period = $£1,090.62 / 8 = £136.3275$
- o 80% of $£136.3275 = £109.062$
- o Qualifying days per week = 5 days
- o $£109.062 / 5 = £21.8124$
- o Sickness days to be paid = 4

- o $4 \times \text{£}21.8124 = \text{£}87.2496$
- o SSP payable rounded up = **£87.25**

Transitional Protections for those in receipt of SSP prior to 6 April 2026 who are still off sick and continuing on SSP on 6 April 2026

Joan earns **£125** per week. She is off work sick before 6 April 26 and is in receipt of SSP and she returns to work on 8 April 26. Her SSP rate would be:

SSP Rate from 6 April 2026		
Before 6 April	Transitional protection at new 26/27 SSP rate)	Any sickness taken 9 April 26 onwards (i.e. if she goes off sick again even within a linked period)
£118.75	£123.25 until 7 April	£100 (i.e. 80% of earnings)

Clare, like Joan, earns **£125** per week. She was off sick but returned to work on 4 April 26. She therefore has no transitional protection because she wouldn't see a drop in SSP income on 6 April. Her SSP rate would be:

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Any sickness taken 6 April 26 onwards (even though it's in a linked period)
£118.75	N/A	£100 (i.e. 80% of earnings)

Mary earns **£148** per week. She is also off work sick before 6 April 26 and comes back to work on 8 May 26. Her SSP rate would be:

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Any sickness taken 9 May 26 onwards (i.e. if she goes off sick again even if in a linked period)
£118.75	£123.25 until 7 May	£118.40 (i.e. 80% of earnings)

Ahmad earns **£150 per week**, he is off work sick before 6 April 26 and is in receipt of SSP, he returns to work on 17 April. He would be transitionally protected because he would see his SSP rate increase to £123.25 in line with standard uprating procedure during this sickness absence. Once he returns to work, for any further sickness absence he will then receive 80% of his average weekly earnings. His SSP Rate would be:

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Any sickness taken 18 April onwards
£118.75	£123.25 until 16 April	£120.00 (i.e. 80% of earnings)

Sarah earns **£240** per week. She would not be transitionally protected because she would see no drop in SSP rate regardless of whether she was off sick or not before 6 April. She would receive the SSP flat rate. Her SSP rate would be:

SSP Rate from 6 April 2026		
Before 6 April 2026	Transitional protection at new 26/27 SSP rate)	Any sickness taken 6 April onwards
£118.75	N/A	£123.25