# Parental leave and pay review: call for evidence

Submission to the Department for Business and Trade and the Department for Work and Pensions

**Chartered Institute of Personnel and Development (CIPD)**
**August 2025**

## About CIPD

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years.

It has 160,000 members across all sectors and sizes of organisation and provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers. It also seeks to promote and improve best practice in people management and development and to represent the interests of our members.

## Our response

***Question 5a and b: Do you think that the current parental leave and pay entitlements supports these objectives (Yes or No)? For each objective, briefly explain the reasons for your selection above. Please provide any evidence (including links) to support your view.***

***Objective one: Providing sufficient time off work with adequate pay to support maternal health***

**Yes and No**: The UK is ranked very differently on two measures of maternity leave and pay in the Organisation for Economic Cooperation and Development (OECD) a 38-member group which looks at economic and social policy.

When it comes to overall pay, the UK sits towards the bottom of the group - but it's near the top when measured on the length of paid time women have the legal right to take off, according to research by the OECD in 2022.

However, a recent survey from Maternity Action found that 59 per cent of new mums had returned to work early or were considering doing so because of financial hardship. The findings suggest that the cost of living crisis is affecting women living on low levels of maternity pay and benefits, and affecting their health and wellbeing. Furthermore, this financial situation continues to negatively impact the amount of parental leave that can be taken by the father/co-parent.

The UK sits behind many of the OECD countries when it comes to paternity leave and pay provisions and this lack of support for fathers and partners to take leave and share caring responsibilities is likely to be negatively impacting on maternal health. This is particularly a problem for women who experience difficult births and struggle to cope physically on their own, especially if they have other young children.

As we explore more fully in our response to objective four below, we would encourage the government to increase statutory paternity leave to six weeks at or near the full rate of pay. This enhancing and ring fencing of paternity leave will support father's and partner's ability to take parental leave and play an active role in their children's early care, with potential longer-term equality impacts.

The focus of the review should not be about reducing provisions in one area to improve them in another but about thinking holistically about how we can improve the overall support we provide to working parents to boost greater labour market participation, progression, fairness and choice.

***Objective two: Supporting economic growth through labour market participation by enabling more parents to stay in work and advance in their careers, including reducing the gender pay gap***

**Yes and No:** From a positive perspective, there are a number of leave and pay entitlements that should help to support labour market participation for working parents in a range of circumstances. These include Neonatal Care Leave and Pay, Unpaid Parental Leave, Parental Bereavement Leave and the new employment right, currently under development – Bereaved Partners' Paternity Leave. We discuss these further in our response to objective three, below.

However, we believe reform is needed to ensure fathers and partners can access a better level of paternity leave and pay. New modelling from the Joseph Rowntree Foundation (JRF) and the Centre for Progressive Policy (CPP), also establishes the economic benefits. Extending Statutory Paternity Leave to 6 weeks at 90% of a father's average weekly earnings could deliver £2.68 billion to the wider economy. These gains stem from mothers working more as better paternity leave means a rebalancing of how couples share care. To realise these benefits in full, eligibility needs to be expanded to all working fathers so self-employed fathers do not miss out.

According to CPP analysis of leave entitlements, OECD countries that offer more than six weeks' paid paternity leave have a 4 percentage-point smaller gender wage gap and a 3.7 percentage-point smaller labour force participation gap. Closing the gender participation gap would also increase economic output. Further analysis in the CPP Fair growth report found that closing the gender employment gap in all UK local authorities would increase economic output by £23bn (approximately 1% of GDP).

***Objective three: Ensuring adequate resources and leave for parents to facilitate the best start in life by supporting the healthy development of young children***

**Yes and No:** From a positive perspective, there are a number of leave and pay entitlements that support labour market participation for working parents and their wellbeing and that of their children.

**Neonatal Care Leave and Pay**
We are fully supportive of the recent right to Neonatal Care Leave and Pay and supported Stuart McDonald MP's original bill. As outlined in our consultation response, (76%) of our members either strongly agreed or agreed that parents of babies who need to spend time in neonatal care should have access to additional pay and leave. We have also recently been reviewing and feeding in to the Department for Business and Trades' forthcoming technical guidance.

This entitlement will make a huge difference to working parents with children in neonatal care allowing them to spend vital time with their babies at a difficult and potentially traumatic time. It will also help to ensure working parents are properly supported and more likely to be able to return to work.

**Unpaid parental leave**
Parental leave in the UK allows employees to take unpaid time off work to look after their child's welfare. It can be used to spend more time with children, help them adjust to new childcare arrangements, or support them through life transitions such as starting school. This is a helpful form of leave for parents in balancing work and care responsibilities and

can be supportive of labour market participation and retention, if parents are able to afford to take the leave.

**Parental bereavement leave**
We have also been long supporters of Jack's Law and Parental Bereavement Leave and have worked with Lucy Herd and other charities on highlighting the importance of this leave and wider workplace support. We are also supportive of the new employment right, currently under development – Bereaved Partner's Paternity leave.

Suffering the loss of a child is a devastating experience, and bereaved parents should be treated with the utmost compassion and support in the workplace. How employees are treated by their employer is likely to have a significant impact on how they handle the bereavement, and how they feel towards their organisation and their work in general going forward.

**Facilitate the best start in life and the healthy development of young children**
To facilitate the best start in life for children, we think the parental leave and pay system needs to be reformed to provide fathers and partners with much more support in taking leave to care for their children.

Research over the last 2 decades shows the benefits of fathers' increased involvement with their children on various outcomes such as, children's emotional, psychological and educational development, their future careers and future division of housework. Research has also discovered the positive outcomes on family relationships.

Studies note that rather than the absolute amount of time spent, the quality of the time spent with fathers matter. More specifically, the time fathers spend taking part in educational and enrichment activities (such as playing) with their children seems to matter most. In addition, studies found that the level of confidence fathers felt in their parenting roles, the psychological and emotional perception of themselves as fathers, had a significant impact on the outcomes for their children.

As we discuss in more detail in response to objective four – we would like to see:

**Paternity leave and pay reforms**
To support better balance and choice for working parents, we think the government should increase statutory paternity leave to six weeks at or near the full rate of pay. This enhancing and ring fencing of paternity leave is likely to have a big impact on father's and partner's ability to take parental leave and play an active role in their children's early care, with potential longer-term equality impacts.

**Shared Parental Leave (SPL) reform**
We also think the government should review and reform SPL to boost uptake by enhancing the financial statutory provision and simplifying the process for both working parents and employers.

According to the Department for Business and Trade's 2023 Evaluation report, SPL for the relatively few parents that take it, has provided greater choice and flexibility in how they share parenting responsibilities in the first year.

Fathers that took SPL were also three times as likely to mention that their leave enabled them to spend time/bond with their child, and four times as likely to say that it enabled the mother to go back to work earlier. There was consensus that the time at home facilitated by SPL led to personal growth and development for parents and children.

The increased involvement of fathers in caring in the first year can also have significant positive impacts on child development, child/father bonding, paternal welfare and parental mental health (Birkett and Forbes, 2019).

***Objective four: Providing parents the flexibility to make balanced childcare choices, including co-parenting***

**No:** We believe that the existing parental leave provisions do not provide parents with enough flexibility to make balanced childcare choices, including co-parenting. We recommend that both the current Shared Parental Leave (SPL) and Paternity Leave systems are reformed to provide greater choice for working parents in different circumstances.

**SPL reforms**
In our CIPD Manifesto for Good Work we recommended reviewing and reforming SPL to boost uptake by enhancing the financial statutory provision and simplifying the process for both working parents and employers. We also think the government should work with organisations to raise early parental awareness of SPL and look to include information through other services such as on MATB1 forms.

These recommendations on reviewing and reforming SPL are supported by other research, such as the Economics Department and Institute for Policy Research at the University of Bath and Cardiff University. It analysed data from 40,000 households across Britain to ascertain the impact of SPL policy, comparing data from families with children born before and after its roll-out.

We therefore recommend the following changes to the SPL system, which we also outlined in both our consultation response to the Women and Equalities Select Committee and in our evidence session:

- improving the financial terms associated with SPL thereby incentivising more parents to use it.
- simplifying the current system so it is easier for both parents and employers to navigate and providing legal support to enable all parties to understand the rights and process involved.
- reviewing the eligibility criteria. Currently, each parent must work for a specific length of time for their employer and earn a set amount for parental leave eligibility. Easing the restrictions concerning parental leave could enable more working dads and partners to use it going forward.

**Paternity leave and pay reforms**
We believe that the statutory paternity rate of pay is too low and is deterring fathers and partners from taking paternity leave. At a maximum rate of £184 a week, this is less than half of the national living wage. This also applies to the SPL rate of pay.

We think a complimentary policy, to support better balance and choice for working parents, would be for the government to increase statutory paternity leave to six weeks at or near the full rate of pay. This enhancing and ring fencing of paternity leave is likely to have a bigger impact on father's and partner's ability to take parental leave and play an active role in their children's early care, with potential longer-term equality impacts.

As referenced earlier, new modelling from the Joseph Rowntree Foundation (JRF) and the Centre for Progressive Policy (CPP), also establishes the economic benefits. Extending Statutory Paternity Leave to 6 weeks at 90% of a father's average weekly earnings could deliver £2.68 billion to the wider economy. These gains stem from mothers working more as better paternity leave means a rebalancing of how couples share care. To realise these benefits in full, eligibility needs to be expanded to all working fathers so self-employed fathers do not miss out.

According to CPP analysis of leave entitlements, OECD countries that offer more than six weeks' paid paternity leave have a 4 percentage-point smaller gender wage gap and a 3.7 percentage-point smaller labour force participation gap. Closing the gender participation gap would also increase economic output.

In our 2022, Employer Focus on Working Parents report, almost half (46%) of organisations said they would support extending statutory paternity leave and pay (2,000 senior decision-makers in the UK). In 2024, we asked this question again (see Appendix of the unpublished findings: quarterly survey of 2,000+ senior decision-makers in the UK, Summer 2024) and support remained at a similar level (48%).

**A phased approach**

We recognise, however, that we are in a difficult economic climate and need to be pragmatic. One idea might be to phase the introduction of extended paternity leave and pay and evaluate the take up across different groups, the benefits and the overall costs. This could potentially start with 4 weeks and build up to 6 weeks or look at a phased increase in payment. The Joseph Rowntree Foundation have also suggested capping payment for higher earners to support affordability (capped at £1,200).

Another suggestion from the Equal Parenting Project is to increase paternity pay at 90% for the first 2 weeks and then enhance SPL pay at the same rate for 4 weeks for dads/ partners to encourage longer sharing of leave and caring responsibilities.

**Support for self-employer fathers and partners**

We think in the longer run it would be helpful to consider what support could be put in place for self-employed fathers and partners as this represents a clear gap in current provisions.

We have a maternity allowance for self-employed mothers or those who don't qualify for Statutory Maternity Pay – it would be helpful to have some kind of equivalent paternity allowance.

We would also support a longer-term objective to ensure all working parents have access to some paid parental leave regardless of income and employment status.

***Question 6: Are there further or other objectives that you would like to see included as part of the parental leave and pay review? (Yes or No)***

Yes

***Question 6b and 7: Please list and briefly explain each one, including providing links to any relevant evidence. Please prioritise the objectives, in order of importance (for example with 1 being most important).***

**1.) Taking into account international evidence and lessons learnt when reviewing and reforming the Parental Leave and Pay system**

**Examples of progressive practice**
As cited in analysis by Earle et al, 2023, leave for fathers in Sweden includes both 10 days (2 weeks) of paternity leave that must be taken right after the child's birth, thereby encouraging fathers' support during the mother's recovery from childbirth and allowing both parents to be on leave at the same time initially, followed by a much longer individual leave when fathers can be the sole care provider.

OECD research shows that in Iceland there is no concept of 'maternity' or 'paternity' leave. A three month quota of non-transferable ('use it or lose it') leave is given to the mother to be taken within a 24- month period. One month may be taken before birth and the remaining two months must be taken after birth (mothers are obliged to take two weeks off work immediately following the birth). A similar period of three months is reserved for fathers/partners – except there is no obligatory period during which leave must be taken (i.e. they are not required to take two weeks off work after birth). In addition, parents have a shared right to another three months' leave which they can split between them as they wish. It is also worth emphasising that the seven countries with the highest male shares of parental leave users, all have father-specific entitlements to paid leave.

Earle et al, 2023 – highlight since the early 2000s, a handful of countries have amended their parental leave policies with the specific aim of increasing fathers' take-up of leave and gender equality by offering families access to additional leave or a bonus payment if both parents take some leave. Eight countries have these incentives as part of current policy as of 2022. The most common approach is to provide additional leave (six countries). Just two countries, Austria and the Republic of Korea, offer bonus payments. In Austria, parents are only eligible for the bonus if leave is shared relatively equally. In contrast, Canada, Japan and Portugal have no minimum requirement for the family to receive a leave duration bonus. In addition to incentives, one country (Romania) has a disincentive that reduces the amount of paid leave available if fathers fail to take paid leave.

**Important considerations when implementing policies**
Earle et al, 2023, show previous research highlights a wage replacement rate of at least 80% is a critical determinant of parents' take-up, particularly fathers' (Karu & Tremblay, Citation2018; Koslowski & O'Brien, Citation2022; O'Brien, Citation2009; Raub et al., Citation2018).

Studies also make clear the importance of including flexibility (Marynissen et al., Citation2019; Mussino et al., Citation2019) in how the leave can be taken and addressing

institutional and cultural barriers that prevent fathers, as well as mothers, from using their leave (Haas & Hwang, Citation2019; Koslowski & Kadar-Satat, Citation2019; Lucia-Casademunt et al., Citation2018).

Legal provisions that prohibit retaliation for taking paid leave and protect caregivers of all genders from discrimination are also essential (Bose et al., Citation2020; Heymann et al., Citation2023).

**2.) Helping employers in building a broader culture of support for working parents**

A further objective of the review might be to help employers in building a broader culture of support for working parents to enable progression and retention. This might take the form of practical guidance, covering some of the following practices:

- Making policies that support working parents, including single parents, transparent & clear on websites / communications
- Comprehensive flexible working policies - including advertising roles as open to flexible working (location, pattern, hours – challenge fund)
- Encouraging role models who 'parent out loud' at different levels throughout organisations
- Educating line managers on the ways in which they can support working parents and organisational policies and practices in place
- Return to work support – including flexible working, employee support groups, tailored support sessions and training.

We are a judge for the Working Dads Employer Awards organised by The Equal Parenting Project, parental workplace policy experts, Dr Holly Birkett from the University of Birmingham and Dr Sarah Forbes from the University of York. The award winners share great examples of the wider benefits of taking a holistic approach to supporting Dad's and working parents in general, through areas like leadership, flexible working, policies and support in returning to work after leave.

Working Families have also produced an accreditation scheme to support employers in creating a work and family action plan to embed a family friendly workplace culture.

In the CIPD 2022 report: Employer Focus on Working Parents, we asked what wider forms of support employers had in place to support parents and carers. Over a third (34%) of organisations offered access to remote or hybrid working. Twenty-nine per cent of employers supported parents through providing flexibility in start and finish times to help with school drop-offs and pick-ups, and 28% proactively promoted flexible working options such as job-share, term-time working and part-time hours. Another popular provision was health and wellbeing support for working parents, for example mentoring/counselling (25%). **However, almost a quarter (24%) said their organisation did not have anything in place to support employees who have parental/ caring responsibilities.**

***Question 8: If you have any additional comments, evidence or suggestions that you have not had the opportunity to provide elsewhere, please do so here.***

**Childcare support**
The CIPD has long called for the UK Government to provide affordable childcare from the end of parental leave to support parents to return to work. A focus should be placed on ensure high-quality early years provision – including ensuring adequate nursery places, tackling labour shortages and properly funding childcare entitlements and provisions. There should also be ongoing clear communications to parents of the current and future planned support around childcare.

High-quality early years provision improves the social mobility of young people. It affects their outcomes at every stage of life. Maternal employment is also associated with higher rates of academic achievement for the child, as well as less negative behaviour.

Returning to work when their children are young means parents, particularly mothers, are not penalised for their time outside of the labour market. It can help avoid loss of skills and confidence and support career opportunities and progression and ultimately boost gender equality. A survey of 4,000 women found 67% felt childcare duties in the past decade had cost them progress at work – including pay rises, promotions, or career development. Almost 90% believed that additional support was needed.

**Support around flexible working**
Given the importance of flexible working for supporting working parents to balance work and caring responsibilities, we would also recommend that the Government:

- Provide guidance and support to organisations on any strengthening (through the Employment Rights Bill) of the Employment Relations (Flexible Working) Act 2023.

- Establish a Workplace Commission to bring together stakeholders across government, business and trade unions to agree legislative changes and promote best practice on flexible working and parental leave.

- Work with organisations (such as the CIPD) on myth-busting around flexible working to dispel the notion that it cannot work for certain employees or job roles that are traditionally not considered flexible.

- Establish a flexible working challenge fund for businesses with non-office and frontline workers to trial and promote different forms of flexible working and their benefits for business and employees.

**Phased approach and employer support when implementing parental leave and pay review changes**

Given the many provisions coming through in the Employment Rights Bill, amendments and the Equalities Bill, it would make sense to take a phased approach to implementing any changes from this review so that they are implemented after the majority of these changes.

Findings from our recent CIPD Survey suggests that 4 in 5 organisations expect the planned measures in the Employment Rights Bill to increase their employment costs and there are further concerns about potential job losses and reduced hiring – so further changes need to be thought through and timed carefully.

We would encourage the Government to consult thoroughly with employers, representative bodies and working parents to ensure that the recommendations are practical, workable and likely to bring about real change.

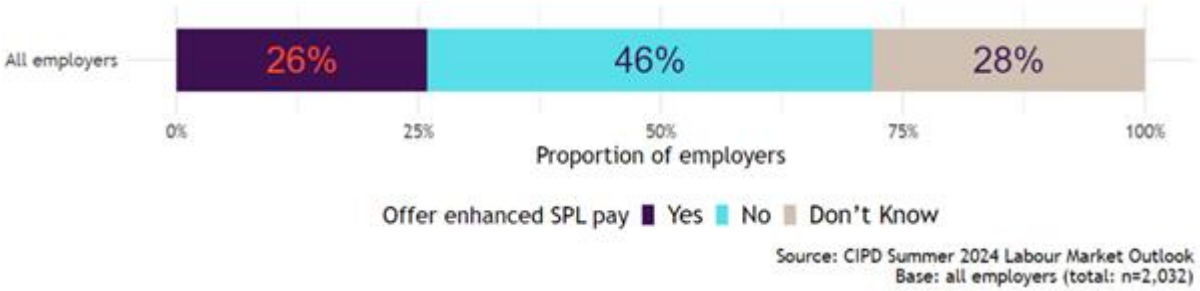
## Appendix: CIPD Labour Market Outlook data on Paternity Leave and SPL

### Method

Questions on Paternity leave and SPL were included in the CIPD Labour Market Outlook Quarterly survey of circa 2,000 senior HR professionals and decision-makers in the UK.

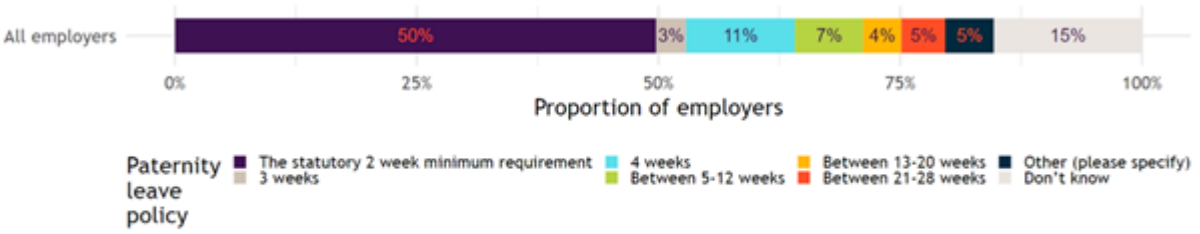
The questions were included in the Summer 2024 sample: 2,032. Fieldwork was undertaken between 17 June and 4 July 2024. The survey was conducted online. The figures have been weighted and are representative of UK employment by organisation size, sector and industry. The survey was administered by YouGov Plc.

### Organisations offering enhanced Shared Parental Leave Pay




Source: CIPD Summer 2024 Labour Market Outlook
Base: all employers (total: n=2,032)

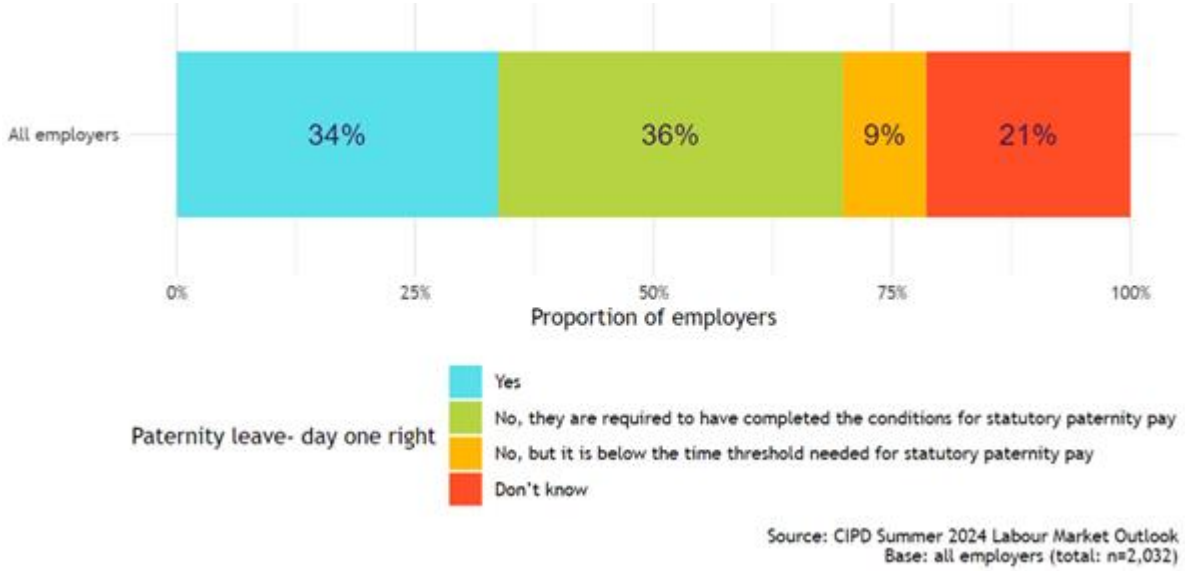
### Current Paternity Leave Policy



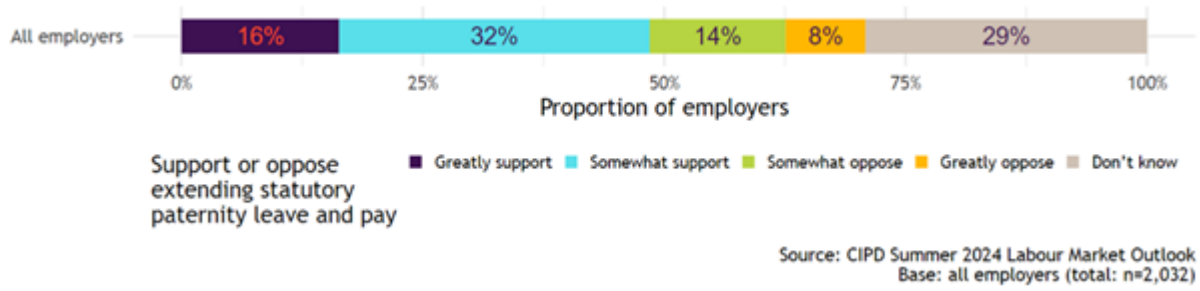

Source: CIPD Summer 2024 Labour Market Outlook
Base: all employers (total: n=2,032)

### Current Paternity Pay Policy

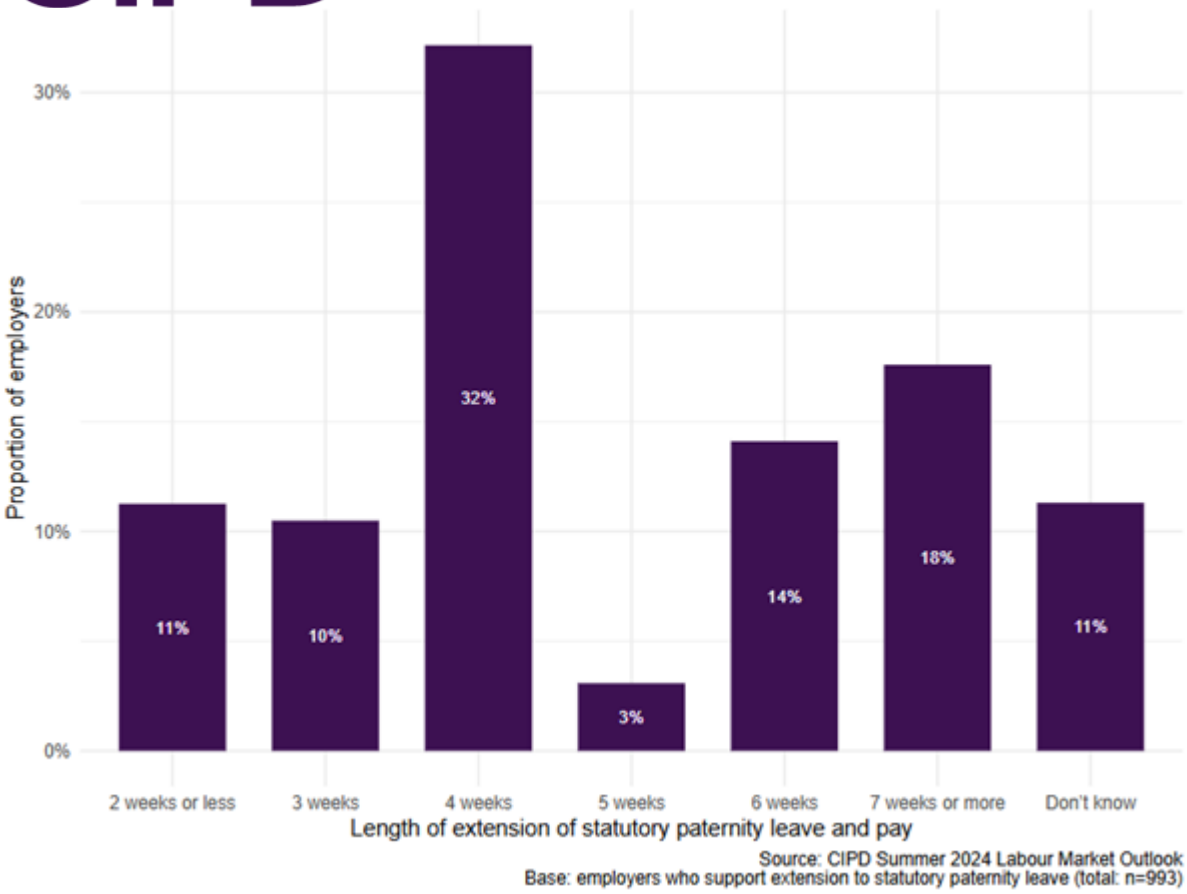

## Whether organisations currently provide Paternity Leave as a day one right




## Proportion of organisations that support or oppose extending statutory Paternity Leave and Pay




## Length of extension of statutory Paternity Leave and Pay




Source: CIPD Summer 2024 Labour Market Outlook
Base: employers who support extension to statutory paternity leave (total: n=993)