

Strengthening Statutory Sick Pay – Evidence Submission from Young Lives vs Cancer and Anthony Nolan

Summary of key points

- Young Lives vs Cancer and Anthony Nolan welcome provisions in the Employment Rights Bill to introduce Statutory Sick Pay (SSP) from the first day of sickness and remove the Lower Earnings Limit (LEL) for eligibility to SSP.
- We propose that for workers earning below the LEL the rate of SSP should be 100% of their average weekly earnings.
- We believe the Bill should be amended to address the low rate of SSP, which is currently one of the poorest rates in the OECD. SSP should be increased and benchmarked to the National Living Wage (NLW).
- These changes would support employed people diagnosed with cancer and undergoing intensive treatments to focus on their recovery and avoid catastrophic financial impacts from their diagnosis and treatment. These changes would also benefit employers and the economy by enabling more employees to return to work.

About our charities

[Young Lives vs Cancer](#) represents children and young people under 25 who are diagnosed with cancer, including those under 25 of working age, and provides direct support for the psychosocial impacts that come with a cancer diagnosis for them and their families. [Anthony Nolan](#) represents people treated with stem cell transplant and other cell therapies, and improves the lives of those patients through research, stem cell donation registration and providing information and support for patients and families. Both charities are members of the [Safe Sick Pay coalition campaign](#), led by the Centre for Progressive Change (CPC), and support the submissions made by CPC on behalf of the coalition.

Why people with cancer and those undergoing stem cell transplant need improved financial support

Many of the people our charities support and represent will rely on Statutory Sick Pay (SSP) when their employment is impacted by their diagnosis and treatment.

For them, the impacts of having to be off work and take sick leave as a result of their diagnosis and management of their condition(s) are compounded by the often immediate, sudden and catastrophic additional costs, which are unavoidable as they are associated with their diagnosis and treatment. The costs also cannot be budgeted or planned for pre-diagnosis. At a time where their focus ought to be on getting through treatment, patients are forced to confront the difficulties created by the significant costs, and it is an extra burden to carry when the focus should be on their health.

These unavoidable additional costs include (but are not limited to):

- Frequent travel to hospital for their treatment and care, as well as related expenses such as parking.
- Increased utility and other household bills, due to the medical need to e.g. keep warm and avoid damp, and reduce infection risk including through cleaning and washing more regularly.

- Additional expenditure on food in order to follow certain diets and/or ensure a healthy diet is maintained for their health.
- Other costs such as accommodation and increased need for childcare.

Young Lives vs Cancer's Cancer Costs¹ research found that the additional costs for under 25s with cancer are an average of £700 every month. Alongside this, 71% report experiencing a loss of income as a result of their diagnosis and treatment, on average over £6,000 annually, but for one in three it is over £10,000. Anthony Nolan's 2024 patient survey² found the average loss of annual income after a stem cell transplant was around £30,000.

To try and manage these costs, many exhaust what savings they have, or are forced to take on debt, sacrificing future opportunities and impacting prospects and long-term financial security. The costs and their impacts leave many struggling to pay their household bills and to afford the day-to-day essentials they need, including falling behind on their energy bills, finding it difficult to afford to feed themselves, and struggling to keep a roof over their heads. As a result of the additional costs, one in ten report missing or delaying their treatment³, or more broadly worrying whether they will be able to attend their treatment and appointments.

Younger people are more likely to be in more unstable employment, for example on zero hour's contracts, or early in their careers and potentially less likely to have an employer sick pay scheme and are reliant on SSP. Overall they are also likely to be less financially secure and have less savings or other support available to them.

The combination of a sudden drop in income and increased need for expenditure has resulted in many people undergoing stem cell transplant being unable to pay for and manage basic necessities, including their rent or mortgage, energy bills, nutritious food and controlling infections within their home. Many patients felt that if they did not have any savings, they were at risk of losing everything overnight due to their diagnosis. The scale of the costs being faced are not being met by the support currently available, including the poor SSP system - 41% of respondents found the financial support they received was not been enough to cover their extra costs at all, and 24% found it only covered very little of their extra costs. To better manage these costs, 51% reported wanting increased sick pay as one of several measures that would help².

Provisions in the Employment Rights Bill

We welcome some of the provisions around SSP that have been included in the Employment Rights Bill to date, including making SSP payable from the first day of sickness and removing the lower earnings limit (LEL) so that all workers are eligible for SSP. These measures will help to ensure that all patients impacted by cancer or in need of cell therapies as a result of their condition(s) will be able to receive SSP regardless of their income and that this support is available immediately when they are first in need.

As per our submission to the "Plan to Make Work Pay: Strengthening Statutory Sick Pay" consultation on the payment of SSP to those earning under the Lower Earnings Limit (LEL), we want to see support for lower earners solidified further, and propose that those earning under the weekly rate of SSP should receive 100% of their average weekly earnings through the SSP system.

Further amendment to the Employment Rights Bill - Increase the rate of Statutory Sick Pay

¹ [Cancer Costs, Young Lives vs Cancer \(2023\)](#)

² [Patient Survey, Anthony Nolan \(2024\)](#)

³ [Running on Empty, Young Lives vs Cancer \(2024\)](#)

We believe that the Employment Rights Bill must still go further to support patients living with cancer and those undergoing cell therapies as a particularly vulnerable group of workers, and therefore the Bill must also tackle the low rate of SSP.

SSP is currently paid at a value of only £116.75 a week, which is an effective income replacement rate of just 17% for an employee on the average salary⁴, equivalent to an annual salary of just £6,000, and is one of the poorest rates in the OECD.

There are an estimated 249,000 working people living with cancer who qualify for SSP or are below the LEL and do not qualify for SSP. Researchers estimate that for employed workers diagnosed with cancer and earning the ONS median salary, a move to SSP following cancer diagnosis would leave them unable to meet the Minimum Income Standard (MIS) - the weekly UK household budget needed to maintain a socially acceptable standard of living). Moving to SSP would result in a fall to between 67% - 85% **below** the MIS needed to live a dignified and safe life, before the additional costs that result from a cancer diagnosis as highlighted above are considered. These additional costs are therefore pushing these patients into or deeper into poverty, significantly beneath the MIS – with a weekly shortfall of between £177 - £276 below the MIS⁵.

The impact of poor SSP for those living with cancer and those in need of cell therapies is compounded by the inadequacy of the welfare benefits system in supporting these groups, with access to Universal Credit not possible until at least week 13 of their illness (if at all) and the significant length of time before they can apply, and the waits post-application to receive, disability benefits such as Personal Independence Payment (PIP).

This low SSP rate causes significant issues for workers in general, but particularly for those with cancer and those requiring cell therapies, including:

- **Presenteeism** – the poor support provided by the current SSP system leads to people going into work whilst unwell, immunocompromised, or undergoing treatment⁶, or returning to work sooner than is suitable. Half of young cancer patients reported returning to work before they were ready and when safe to do so in light of their health⁷, and 41% of respondents to Anthony Nolan’s patient survey considered going back to work after their treatment earlier than advised due to financial concerns². In turn this leads to poorer longer term health outcomes⁸ and impacts productivity.
- **Long-term sickness and leaving the workforce** – not having sufficient SSP when ill health occurs and needs to be managed makes repeated periods of sickness and long-term sickness absence more likely⁹, which drives people out of the taxpaying workforce. The impacts of this on those with long-term and serious conditions such as cancer and those undergoing cell therapies can be much more acute than from the wider population. In particular in the case of cancer, patients with sufficient sick pay are three times more likely to return to work than those without.¹⁰

⁴ [European Commission, Background Report for the Social Protection Committee, 'Sick Pay and Sickness Benefit Schemes in the European Union', October \(2016\)](#)

⁵ [Cancer and Sick Pay – The Human Cost of a Low Legal Minimum, Safe Sick Pay Campaign & Centre for Research in Social Policy Loughborough University \(2024\)](#)

⁶ [Adams-Prassl, A., Boneva, T., Golin, M. and Rauh, C. \(2023\). 'The value of sick pay'. *European Economic Review*, p.104314.](#)

⁷ [Hard Work, Young Lives vs Cancer \(as CLIC Sargent\) \(2020\)](#)

⁸ [Bergström, G. et al. 'Does sickness presenteeism have an impact on future general health?', *International Archives of Occupational and Environmental Health* \(2009\), 82, pp1179-1190.](#)

⁹ [Bergström, G. et al. 'Sickness presenteeism today, sickness absenteeism tomorrow? A prospective study on sickness presenteeism and future sickness absenteeism', *Journal of Occupational and Environmental Medicine* \(2009\), 51, pp629-38.](#)

¹⁰ [Veenstra, C. et al. 'Employment benefits and job retention: evidence among patients with colorectal cancer' *Cancer Medicine* \(2018\), 7, pp736-745](#)

- **Direct financial impacts** – as outlined in detail above, the direct financial impacts of not having suitable SSP leaves patients not being able to meet the scale of their existing and additional costs alongside their drop income, ultimately leading to financial hardship in the short- and long-term.
- **Mental health impacts** – the risk of, and the experience of, having to take sick leave and rely on SSP can take a significant toll on someone’s mental health, with worries about the impact this will have on their employment, finances including the short term impacts and longer-term consequences such as the resulting debt, health and quality of life. Mental health is also a major and fast-growing source of long-term absence in the UK. Research by Mind identified direct effects of the UK’s low SSP rate on the perpetuation of people’s mental health problems, with 60% of respondents reporting that the reduction in income caused by SSP had a negative effect on their mental health.¹¹

Overall, increased ill health as a result of some of the above factors adds a significant extra cost burden and capacity pressure for the NHS, and increases the Treasury benefits bill.

It is essential that the rate of SSP is increased substantially enough so that workers living with cancer and undergoing cell therapies can safely take the time off they need, whilst still having the security of support for covering essential costs. Young Lives vs Cancer and Anthony Nolan therefore want to see **the rate at which SSP is paid increased and benchmarked to the National Living Wage (NLW)**.

A report by WPI Economics¹² shows that sick pay reforms, including increasing the SSP rate, would result in a net financial benefit of £4.1 billion annually to business, Government and the wider economy, alongside benefits such as increasing the proportion of workers able to successfully manage long-term conditions whilst in employment, reducing presenteeism from those who cannot safely be in work due to ill health, and ensuring fewer people leave the workforce entirely by maintaining a link to their employment and being better supported to safely stay in and return to work. This is particularly important as economic inactivity due to ill-health is due to reach 4.3 million people by the end of this parliament¹³, and with economic activity limiting economic growth and reduce tax receipts.¹² By providing adequate support through SSP, workers may be less likely to need to potentially rely on welfare benefits into the long-term, benefitting the Treasury, and supporting people with suitable SSP will have a positive impact on health outcomes, reducing NHS costs and pressures.¹²

Conclusion

Increasing SSP would bring substantial benefits to workers with cancer and those undergoing cell therapies, as well as the wider economy and the Treasury. We would urge the Business and Trade Select Committee to consideration proposing an amendment to the Employment Rights Bill to meaningfully increasing the rate of SSP in line with the NLW as per our proposals in this submission.

¹¹ [Mind, Briefing: Statutory Sick Pay \(SSP\) \(2022\)](#)

¹² [WPI Economics, 'Making Statutory Sick Pay Work', July 2023](#)

¹³ [IPPR, 'Cross-party Commission concludes three-year enquiry with bold plan for 21st century health' \(17th September 2024\).](#)