



# Delivering carer's leave in Northern Ireland

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Policy options and cost modelling

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## FOREWORD

### Sorcha Eastwood MLA

Alliance Party Economy Spokesperson



I am privileged to contribute to this paper and believe it is an important document in moving towards the implementation of carer's leave legislation in Northern Ireland.

There are around 220,000 people providing unpaid care for sick or disabled family members and friends in Northern Ireland. The people they care for need them and we as a society depend on them. I would urge you, when reading this report, to remember that behind the numbers are individuals with hopes, needs and aspirations. They deserve to pursue the careers they want and, in the majority of cases, rely on the income a job provides to support them and those they are caring for.

As is highlighted in this paper, carers are having to juggle jobs, family life, bills, homes and other responsibilities while caring for loved ones. These pressures can be huge and often mean carers are left using any leave they might have from their jobs to fulfil their caring duties.

It is indisputable that Government policy here has been failing carers. We have shamefully fallen behind other jurisdictions in employment rights and that is partly why we are seeing carers that want to work having to leave employment. Others are cutting back on their working hours or turning down the jobs or promotions they may want and deserve.

As policy and law makers I believe we have a responsibility to help support unpaid carers where we can, and taking forward carer's leave legislation is just one element of that.

The paper models estimated costs of replicating the provisions of the Carer's Leave Act in GB and different levels of paid carer's leave. There is clear evidence to show that paid carer's leave could be transformative and a benefit to our economy, but I believe it is also morally the right thing to do.

With the Assembly now back, I urge the Economy Minister to bring forward employment rights legislation, including provisions for paid carer's leave.

## EXECUTIVE SUMMARY

- Unpaid carers in Northern Ireland are much less likely to be in full-time employment than the general adult population – **1 in 3** have had to give up employment because of caring responsibilities.
- Juggling employment and unpaid caring without support is a significant driver of ill-health, burnout and exhaustion – **34%** of carers in employment in Northern Ireland report feeling tired at work because of their caring role.
- Being forced out of employment because of the pressures of caring is contributing to widespread poverty and financial strain among carers – **44%** of carers in Northern Ireland have lost out on **over £1,000 per month** in average wages due to leaving work or reducing their hours and **more than half** of unemployed carers here are living in poverty.
- **Over 60%** of carers in Northern Ireland say their employer doesn't offer unpaid caring leave and **86%** say their employer doesn't offer caring leave on a paid basis.
- **34%** of carers who have experienced barriers to work in Northern Ireland say that access to paid carer's leave would help them to return to work or increase their hours.
- Replicating the Carer's Leave Act in Northern Ireland – to provide 5 days per year of unpaid carer's leave for employees – would cost businesses, collectively, an estimated **£2.3 million** in the first year, with annual recurring costs of **£2 million** after that.
- Central estimates suggest that providing 5 days of fully paid carer's leave for employees in Northern Ireland would cost the Executive between **£10.3-£15.2 million per year**.
- The cost of delivering any carer's leave system would be significantly mitigated by the greater tax/National Insurance (NICs), reduced business costs (eg recruitment, lost skills and experience etc.) and lower social security spending that results from keeping more unpaid carers in employment.
- If the introduction of carer's leave had only a minimal impact on carer employment rates in Northern Ireland, the NI Executive could still save at least **£4.3 million** per year in Carer's Allowance payments, while the UK Exchequer could retain **£5.9 million** per year in income tax and NICs.

**1 in 3**

unpaid carers in Northern Ireland have given up employment due to caring



**44%**

unpaid carers in N. Ireland have lost **£1k+** per month in wages due to giving up or reducing employment



**86%**

unpaid carers in N. Ireland say their employer doesn't offer paid carer's leave



**£4.3m**

potential savings in Carer's Allowance payments as a result of introducing paid carer's leave in N. Ireland



## INTRODUCTION

Across Northern Ireland, many of the 220,000 people providing unpaid care for sick or disabled family members and friends want, and often, need employment opportunities.

They value having an identity outside of their caring role. They cherish the careers they've spent so long working toward. And they rely on their wage packets to meet the high costs of supporting someone who is unwell during an ongoing cost of living crisis.

Our unpaid carers should have the same opportunities in the labour market as everyone else in Northern Ireland, but far too often, the demands of caring and lack of support to juggle that role with employment means that their work life suffers.

Some carers are left running themselves into the ground as they manage the pressures of their job around significant caring duties – with severe consequences for their health and wellbeing. For others, the pressure becomes too great, and they're forced to cut their working hours or leave their job entirely.

No single approach can fix this, but one of the most important interventions available is the delivery of dedicated caring leave from work. Carer's leave can provide staff with the time and space they need to perform caring duties away from their job, without the stress of trying to juggle employment at the same time, having their attendance record affected or having to use holiday leave for caring.

As is so often the case, the rest of the UK is already a step ahead of Northern Ireland, with the Carer's Leave Act providing a landmark new legal right to unpaid carer's leave from work in England, Scotland and Wales. This legislation will improve the life of every person in GB who is juggling employment and unpaid caring, and as a minimum, Northern Ireland needs to deliver parity for the local carer population.

But the pending Employment Rights Bill from the Department for the Economy offers an opportunity to go even further – to deliver carer's leave on a paid basis and ensure that carers here can take the time away from work that they need to meet their caring responsibilities and not be financially penalised for doing so.

This paper sets out the case for introducing carer's leave in Northern Ireland and models the potential costs of different versions of the policy. It shows that legislating for paid carer's leave makes moral, economic and financial sense – securing massive benefits for the economy at a sustainable cost to businesses and the Stormont Executive.

Carers NI hopes that the paper can make a meaningful contribution to the debate around carer's leave and help to cement this desperately needed policy in the Employment Rights Bill.

## THE CASE FOR CARER'S LEAVE IN NORTHERN IRELAND

Providing unpaid care for a sick or disabled family member or friend is a significant barrier to full participation in the labour market in Northern Ireland. While nearly two-thirds (61%) of all adults here are in some form of employment, the rate is just 51% among those with unpaid caring roles – and the difference in full-time employment rates is even starker still (47% vs 34%).<sup>[i]</sup>

Understandably, many people with caring roles find it a massive challenge to provide hands-on practical, emotional and personal care for someone around-the-clock, manage their appointments, maintain the home and hold down a job – particularly a full-time one – at the same time. For those who stay in work, this leaves them increasingly burnt out and struggling with their mental and physical health, forced to use holiday leave to perform caring duties and with no time for a proper break to re-charge their batteries.

For many others, the pressure is too great to manage, and Carers NI's research<sup>[ii]</sup> shows that:

- **1 in 3** people with caring roles in NI have left employment because of caring
- **26%** have cut their working hours
- **16%** have taken on less qualified jobs or turned down promotion.

These barriers to employment are a significant driver of financial strain among Northern Ireland's unpaid carers. Research from the Carer Poverty Commission shows that being unemployed is the single strongest predictor of carer poverty in Northern Ireland – with **more than half (55%)** of local carers who are out of work living below the poverty line, compared to 28% of the carer population as a whole and 14% of carers who are in employment.<sup>[iii]</sup> That is little surprise when **44%** of local carers are losing out on over £1,000 per month in average wages as a result of leaving employment or reducing their hours to care.<sup>[iv]</sup>

While a range of measures are required to make it easier for people to juggle employment and unpaid caring, access to carer's leave is one of the most effective policy options available. Among local carers who have experienced barriers to employment because of caring, more than **1 in 3 (34%)** say that access to paid carer's leave would help them to return to work or increase their hours; and **21%** say the same about unpaid carer's leave.<sup>[v]</sup>

The provision of carer's leave could help staff with caring roles to juggle employment and caring without becoming burnt out and sick – fostering a better work-life-balance and allowing them to use their holiday leave for proper breaks, rather than caring duties.

It would also begin to address the gaps that currently exist in dependent leave provision, which usually provides time off for emergency situations but not the likes of the planned appointments that take up so much time for so many unpaid carers.

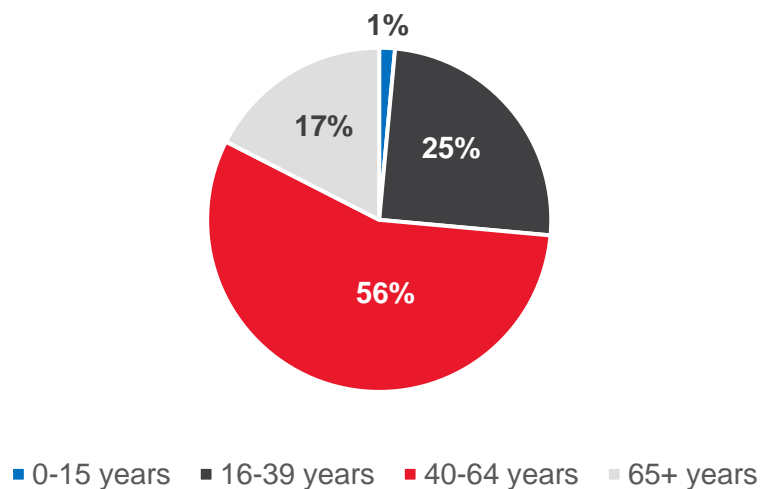
Putting carer's leave on a statutory footing is critical to ensuring equity of provision, as leaving it to the discretion of employers has created a wide spectrum across Northern Ireland – with **61%** of carers saying their employer doesn't offer unpaid caring leave and **86%** saying their employer doesn't offer caring leave on a paid basis.<sup>[vi]</sup>

## BUSINESS AND ECONOMIC BENEFITS

Legislating for carer's leave in Northern Ireland wouldn't just be good news for local carers – it would foster a range of business and economic benefits too.

By supporting more unpaid carers to stay in employment, they will contribute more to public finances through their tax receipts. In particular, 40-64 is both the age group that a person is most likely to have an unpaid caring role in Northern Ireland <sup>[iv]</sup> (see Chart 1) *and* be at their earnings peak <sup>[v]</sup> – meaning we are seeing many people leaving the labour market because of caring just at the point at which they are contributing most to the economy through income tax and National Insurance.

Chart 1: Age breakdown of unpaid carers in Northern Ireland



Similarly, supporting more carers to stay in employment will also reduce Northern Ireland's social security bill – ensuring more people do not have to apply for Carer's Allowance and/or other supports like Housing Benefit or Income Support.

Collectively, these factors could have a significant positive impact. For example, our analysis suggests that if the introduction of carer's leave prevented just 1% of employees with caring roles in Northern Ireland from leaving work and having to apply for Carer's Allowance, the NI Executive would save more than **£4.3 million per year** in Carer's Allowance payments. Those carers staying in work could also mean the UK Exchequer benefiting to the tune of **£5.9 million per year** in income tax and National Insurance. <sup>[1]</sup> That is a combined benefit of over **£10 million per year** if carer's leave only had the bare minimum impact on carer employment rates, and we have strong reason to believe that the policy would support many more carers than that to stay in employment.

While more difficult to quantify, businesses would also save a significant amount of money by increasing staff retention and avoiding the loss of skills, knowledge, experience and

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<sup>1</sup> 1% of the 103,202 employees with caring roles in Northern Ireland = 1,032.

- 1,032 x £4,258.80 (the annual value of Carer's Allowance based on the current value of £81.90 per week) = £4,395,082 in additional Carer's Allowance payments per year.
- 1,032 x £5,811.56 (the amount of income tax and National Insurance a median earner in Northern Ireland would pay per year) = £5,997,530 in lost tax and NICs per year. *Calculated using <https://www.gov.uk/estimate-income-tax> and NISRA (2023). Employee earnings in Northern Ireland 2023.*

output due to employees leaving work to care. For example, some analysis suggests that, cumulatively, businesses across the UK could save £3.4 billion every year in improved employee retention by better supporting staff with caring roles. <sup>[vi]</sup>

Finally, it is important to note that unpaid caring is a gendered issue in Northern Ireland – with women making up nearly 60% of our carer population, including the working-age carer population <sup>[iv]</sup> – so supporting more carers to stay in employment through the provision of carer’s leave would also help to meet the Economy Minister’s goal of delivering good jobs and fuller labour market participation for women. <sup>[vii]</sup>



## MODELLING ON CARER'S LEAVE POLICY COSTINGS

In this chapter we have modelled the potential costs of delivering:

- Five days of **unpaid** carer's leave for employees as a day-one right – replicating the provisions of the Carer's Leave Act in Great Britain. <sup>[viii]</sup>
- Five days of **paid** carer's leave for employees as a day-one right – based on different levels of compensation, ranging from fully paid to matching Statutory Sick Pay.

To the best of our knowledge, this modelling is the first of its kind in Northern Ireland and will, we hope, provide important insights to support the case for including carer's leave in the Department for the Economy's pending Employment Rights Bill.

### UNPAID CARER'S LEAVE

Under a policy where five days per year of carer's leave is provided on an unpaid basis, there would be no cost to central government in Northern Ireland. Rather the cost burden would sit with businesses in administering and providing the leave to their staff.

We get a detailed insight into these costs from the Department for Business, Energy and Industrial Strategy's (BEIS) Impact Assessment of the Carer's Leave Act in Great Britain. <sup>[v]</sup> BEIS identified three core costs to businesses of meeting their obligations under the Act, as set out in Table 1.

Table 1: Cost to businesses of the Carer's Leave Act in GB

Type of cost	Frequency	Amount (£ million) across GB
<b>Familiarisation costs</b> <i>Employers familiarising themselves with the new policy to understand how it affects their business</i>	One-off	£4.7 million
<b>Administration costs</b> <i>Employers administering requests for carer's leave</i>	Recurring	£9.3 million
<b>Absence costs</b> <i>Employers bringing in temporary cover, relocating work and losing output while staff are on carer's leave</i>	Recurring	£30.6 million

Note: Costs based on BEIS's central estimate of a 29% take-up rate of unpaid carer's leave.

BEIS's modelling therefore suggests a total cost to businesses in GB of £44.6 million in the first year of the Carer's Leave Act's implementation, followed by annual recurring costs of £39.9 million.

It is important to make the obvious point that these costs have been calculated based on the number of eligible employees in GB, which is significantly larger – by a factor of 19 – than in Northern Ireland. <sup>[2]</sup> However, given that BEIS's analysis uses data (eg average reorganisations costs per employee, Annual Survey of Hours and Earnings etc) that is UK-wide – covering Northern Ireland – we can weight the cost estimates in order to roughly

<sup>2</sup> 1,948,000 eligible employees in GB vs 103,202 in Northern Ireland.

model the potential impact on businesses in Northern Ireland. This analysis is presented in Table 2.

Table 2: Modelling on cost to businesses of replicating the Carer’s Leave Act in NI

Type of cost	Frequency	Amount (£ million) in N. Ireland
Familiarisation costs	One-off	£0.24 million
Administration costs	Recurring	£0.48 million
Absence costs	Recurring	£1.6 million

Note: Cost modelling based on a 29% take-up rate among a population of eligible employees in Northern Ireland that is 19x smaller than that in GB.

While this modelling is based on some assumptions that we cannot fully explore in this paper, we believe it is a reasonable estimate and provides a useful insight into the potential costs of replicating the Carer’s Leave Act in Northern Ireland.

Supporting our findings is the fact that the Department for the Economy’s estimated the business familiarisation costs of the Parental Bereavement (Leave and Pay) Act in Northern Ireland – a policy that, in many respects, is very similar to carer’s leave – would be £0.27 million. <sup>[ix]</sup> This estimate was based on extrapolating the cost in GB and accounting for Northern Ireland’s population size and business environment – a similar approach to the one we have undertaken above and one that resulted in a cost estimate incredibly close to our modelling on familiarisation costs of unpaid carer’s leave in Northern Ireland (£0.24 million).

Our modelling therefore suggests that the total costs to businesses in Northern Ireland would be **£2.3 million** for the first year of a Carer’s Leave Act-equivalent policy, followed by just over **£2 million** per year afterwards.

Carers NI would argue that these costs to businesses would represent excellent value for money when compared to the enormous benefits of retaining staff with caring roles and avoiding the costs (recruitment, lost skills and expertise, training etc.) of having to replace them if they leave employment because of the pressures of caring. From the Executive’s perspective, this policy is also attractive because it delivers important benefits to the local economy – keeping more people in work and reducing potential social security spending – while imposing no recurring cost on government.

The major downside to providing carer’s leave on an unpaid basis is that employees will be worse off financially when they take time away from work to care. While an unpaid carer’s leave policy would deliver important benefits in terms of carers’ work-life-balance and health, it would fail to protect carers financially and may therefore be an unaffordable option for some.

## PAID CARER'S LEAVE

Below we have modelled the cost to the NI Executive of delivering a paid carer's leave policy of five days per year for employees who have caring roles. We have looked at several different options for the value at which this leave would be paid, and modelled those values across a range of potential take-up rates among employees. We believe this approach offers the most comprehensive analysis possible in the context of the numerous different variables that will ultimately shape how much the policy costs. This analysis is presented in full in Table 3.

All of the modelling in this section is based on two core assumptions:

- Paid carer's leave would be available to a maximum of **103,202** people in Northern Ireland – the number of employees identified in the Census as having an unpaid caring roles<sup>[iv]</sup> – as a day-one right.
- Those employees who avail of paid carer's leave would take an average of **3.4 days** leave (out of the 5 available) per year under the policy. This is based on comprehensive monitoring data from large UK businesses that already offer paid carer's leave to their staff.<sup>[x]</sup>

Carers NI believes that the optimum carer's leave policy would be paid at an employee's full wage, as no one should be financially penalised for looking after a sick or disabled person. That would be true in any circumstances, but particularly in the context of a cost of living crisis that has already had a disproportionate impact on Northern Ireland's unpaid carer population.

Based on median earnings in Northern Ireland<sup>[xi]</sup> and a central estimated take-up rate (CETR) of between 23%-34% (see methodology notes on page 11), our analysis suggests that this version of paid carer's leave would likely have an annual cost to the NI Executive of **between £10.3 million-£15.2 million per year**.

Our engagement with employers across the UK who already offer paid carer's leave suggests that the actual take-up rate would be much lower than the CETR above. Our CETR is also considerably higher than that estimated by the Fabian Society think tank (10%) in its proposals for paid carer's leave.<sup>[xii]</sup> Assessed against the available evidence, we are therefore very likely to be overestimating how many unpaid carers would use paid carer's leave if it was available. But even in that context, the annual cost of the policy to the NI Executive would still represent significant value for money and works out less than the amount our unpaid carers save the public purse, through the free care they provide, *in one day in Northern Ireland* (£16 million).<sup>[xiii]</sup>

At the highest end of the take-up rates we have modelled (64%) – informed by the take-up of paternity leave, which shares numerous characteristics with carer's leave – the cost of fully paid carer's leave would be £28.7 million per year. Even this high estimate represents just 0.4% of the care costs our unpaid carer population is saving the government in Northern Ireland annually (£5.8 billion).<sup>[xiii]</sup>

We would also highlight that these estimates do not take account of the substantial economic benefits and reduced social security spending associated with more unpaid carers staying in employment; or the significant cost savings for businesses of avoiding recruitment, training and lost skills and expertise when their staff with caring roles are forced to leave their jobs. As noted in detail in pages 7-8, these are very relevant factors in the debate on paid carer's leave and would notably reduce the net cost to the Executive of delivering the policy.

Table 3: Modelling on the annual cost to the NI Executive of delivering paid carer's leave in Northern Ireland

Daily rate of carer's leave					
Take-up rate [3]	Full pay (£128.20 per day) <sup>[4]</sup>	80% pay (£102.56 p/d)	50% pay (£64.10 p/d)	Match Statutory Maternity Pay (£36.80 p/d)	Match Statutory Sick Pay (£23.35 p/d)
64% <sup>[5]</sup>	£28.7 million	£23 million	£14.3 million	£8.2 million	£5.2 million
34% <sup>[6]</sup>	£15.2 million	£12.2 million	£7.6 million	£4.3 million	£2.7 million
29% <sup>[7]</sup>	£13 million	£10.4 million	£6.5 million	£3.7 million	£2.3 million
23% <sup>[8]</sup>	£10.3 million	£8.2 million	£5.1 million	£2.9 million	£1.8 million
10% <sup>[9]</sup>	£4.4 million	£3.5 million	£2.2 million	£1.2 million	£0.8 million

Based on each employee taking an average of 3.4 days of paid carer's leave (from a total of five available) per year.<sup>[10]</sup>

<sup>3</sup> There are 103,202 people in Northern Ireland who provide unpaid care and are classified as employees, so would fall under the provisions of a carer's leave system. See: Census 2021.

<sup>4</sup> Median gross weekly earnings for full-time employees in Northern Ireland in April 2023, the most recent data available, were £641, or £128.20 per day. See: NISRA (2023). Employee earnings in Northern Ireland 2023.

<sup>5</sup> 64% was the take-up rate of 2 weeks or less of paternity leave among fathers in the UK in a representative poll commissioned by Pregnant Then Screwed in 2024. <https://pregnantthenscrewed.com/70-of-dads-who-didnt-take-their-full-paternity-leave-entitlement-had-to-cut-it-short-due-to-cost/>.

<sup>6</sup> 34% is the proportion of unpaid carers in Northern Ireland who have left work/reduced their hours due to caring and say that access to paid carer's leave would help them to return to work/increase their hours. See: Carers NI (2023). State of Caring survey Northern Ireland 2023.

<sup>7</sup> 29% is BEIS's central estimated take-up rate of unpaid carer's leave via the Carer's Leave Act 2023 in GB. See: Department for Business, Energy and Industrial Strategy (2022). Carer's leave impact assessment.

<sup>8</sup> 23% is the proportion of unpaid carers in Northern Ireland who have already utilised paid carer's leave via voluntary provision from their employers. See: Carers NI (2023). State of Caring survey Northern Ireland 2023.

<sup>9</sup> 10% is the Fabian Society's modelled take-up rate of paid carer's leave. See: Fabian Society (2024). Caring for carers: Policy options for carers' employment and financial protections.

<sup>10</sup> Research from large UK businesses that already offer paid carer's leave suggests that eligible employees will use 3.4 days of this leave on average per year. See: Carers UK (2023). Carers' employment rights today, tomorrow and in the future.

Table 3 estimates the cost of a range of other daily rates for paid carer's leave. While the lower daily rates would make the policy cheaper to deliver, Carers NI believes that financially penalising employees will result in many being unable to afford to take carer's leave – defeating the purpose of the policy.

We would be especially opposed to matching carer's leave to the rate of Statutory Sick Pay (SSP), as ample evidence has shown the links between the value of SSP and issues like poverty and debt among workers. <sup>[xiv]</sup>

## CONCLUSION

Due to our ageing population and growing prevalence of long-term illnesses and disability, two-thirds of people in Northern Ireland will become an unpaid carer at some point in their adult life. <sup>[xv]</sup> Carer's employment rights are therefore not just a major issue for many workers in Northern Ireland today – they will also become relevant for even more people in the future.

Delivering carer's leave from work will not ensure that every unpaid carer in Northern Ireland is able to fully participate in the labour market, but it *is* one of the most effective tools we have to prevent people from being forced out of employment because of the demands of caring – to the significant detriment of their household finances and wellbeing.

Carers NI firmly believes that this leave should be provided on a fully paid basis, so that no one is ever financially penalised for taking time away from employment to care. But as a minimum, carers in Northern Ireland should enjoy the same rights as their peers in Great Britain; with parity with the Carer's Leave Act.

The evidence in this paper has shown that legislating for carer's leave in Northern Ireland would make a massive difference to the lives of local carers at a sustainable cost to government and employers, while delivering significant benefits to the economy. It is the right thing to do – morally, economically and financially.

We are urging the Department for the Economy to consider this evidence and ensure paid carer's leave is included as an integral part of the pending Employment Rights Bill.

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Carers NI is Northern Ireland's membership body for unpaid carers. We're here to listen, to give carers expert information and tailored advice. We champion the rights of Northern Ireland's 220,000 carers and support them in finding new ways to manage at home, at work, or in their community. We're here to make life better for carers.

**W:** [carersuk.org/NI](https://carersuk.org/NI) | **E:** [info@carersni.org](mailto:info@carersni.org)



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