

# COVID19: Statutory Sick Pay and self-employment

## The equality impacts of current policies

### Introduction

The UK Government has set out a welcome package of support for employees during the COVID-19 outbreak which, at the time of writing, does not extend to more than five million self-employed people.

At the same time, the current Statutory Sick Pay rate has not been increased. GMB believes that the current weekly rate of £94.25 (due to be increased to £95.85 on 06 April) is deeply inadequate, and that this very low rate – which is equivalent to around a fifth of median weekly earnings – represents a threat to public health as sick and infectious people are forced to attend work to make ends meet.

In the absence of an official equality impact assessment, this GMB paper uses official data to demonstrate that the UK Government's current policies are having a particular and detrimental effect on people who are more likely to share protected characteristics under the Equality Act 2010.

### Statutory Sick Pay (SSP)

Using the latest available data, we can measure the equality impacts of current SSP policies for a number of protected characteristics.

All figures are for workers who were entitled to either SSP or employer sick pay, excluding 'don't know' responses.

#### **Age**

- Older and younger workers are much more likely to be reliant on SSP. 46 per cent of workers aged below 24 and above 65 are entitled to SSP-only, raising fears that some of the most at-risk workers will be forced into attending work.

#### **Disability**

- 37 per cent of disabled workers are reliant on SSP, compared to 30 per cent of workers who are not disabled.

#### **Race**

- Workers who identified as mixed race (40 per cent reliant on SSP) and black (35 per cent reliant on SSP) are more likely to be entitled only to SSP than white workers, 32 per cent of whom were reliant on SSP.

#### **Sex/gender**

- Women are more likely to be reliant on SSP (at 35 per cent) than men (at 28 per cent).

In addition, a number of disproportionately negative impacts on certain groups can be identified which do not fall within the parameters of the Equality Act but are still a cause for serious concern.

Casual workers were the single most likely group to be reliant on SSP (at 45 per cent). Those in caring and leisure occupations, part-time workers, blue collar workers, and workers in small employers were all at particular risk of being reliant on SSP. GMB believes that these workers are also more likely to share protected characteristics.

## Self-employment

A profile of the self-employed workforce, as measured by certain protected characteristics, can be established using data from the ONS's Labour Force Survey (LFS).

GMB's analysis of LFS data found that:

### **Age**

- Self-employed workers are significantly more likely to be older. 9.5 per cent of self-employed workers are aged 65 or older, compared to 2.9 per cent of employees.

### **Disability**

- Self-employed workers are slightly more likely to identify as being disabled. 15 per cent of self-employed workers identified as disabled within the meaning of the Equality Act, compared to 13.5 per cent of employees.

### **Race**

- Although BAME workers were not more likely to be self-employed overall, some groups were significantly more likely to be self-employed. A quarter of workers who gave their ethnicity as Pakistani were self-employed, compared to 15 per cent of white workers.
- Workers who gave their nationality as Pakistani were also most likely to be self-employed, at 27 per cent. Republic of Ireland nationals were also more likely to be self-employed at 18 per cent, compared to 15 per cent of UK nationals.

### **Religion or belief**

- Jewish (31 per cent), Buddhist (24 per cent), and Muslim (21 per cent) workers were all significantly more likely to be self-employed than Christian workers and workers of no religion.

### **Sex/gender**

- Men are more likely to self-employed than women. Although men and women make up roughly equal shares of the overall workforce, 67 per cent of self-employed workers are men.

### **Marriage and civil partnership**

- Self-employed workers are more likely to be married or in a civil partnership (at 60.2 per cent) than workers who are employees (at 50.2 per cent).

## Conclusion

GMB has welcomed the steps taken so far in the UK Government's workers' support package, but Ministers must now go further.

As this impact assessment demonstrates, a failure to raise the Statutory Sick Pay rate to a liveable wage, and not (at the time of writing) providing full parity between employees and self-employed workers will have serious detrimental effects on particular groups in our society.

The status quo is disproportionately harming older workers, disabled workers, BAME workers, workers who hold particular religious beliefs, women workers, and workers who are married or in a civil partnership.

In line with Ministers' obligations under the Public Sector Equality Duty, GMB calls on the Government to urgently introduce parity for self-employed workers and raise Statutory Sick Pay to a liveable rate.

## Notes on data sources

### *Health and wellbeing at work: a survey of employees, 2014*

Standard employment surveys shed little light on Statutory Sick Pay coverage. Our most valuable source is the health and wellbeing at work survey which was conducted by NatCen Social Research and the Work Foundation for the Department for Work and Pensions.

Responses are for workers who have some form of sick pay coverage in place and report binary responses of SSP-only or above-SSP. GMB excluded 'don't know' responses, but summaries of these responses are included in the accompanying table.

Data is taken from the Department for Work and Pensions and Department of Health and Social Care ad hoc health in the workplace data tables, published 15 July 2019: <https://www.gov.uk/government/statistics/health-in-the-workplace-patterns-of-sickness-absence-employer-support-and-employment-retention>

### *The Labour Force Survey (LFS)*

The LFS is one of the ONS's most important sources of labour market information. The LFS is published quarterly on the basis of data returned by around 80,000 households across the UK.

The figures reproduced here are from the 2019 Quarter 3 LFS. The term 'employees' as used here is intended to mean workers who are directly employed, rather than as a reflection on whether they are classed as 'employees' or 'workers' for the purposes of employment law.

Not all protected characteristics can be measured through the LFS. It was not possible to produce figures relating to gender reassignment, sexual orientation, or pregnancy and maternity.

To interpret the following table, LFS categories are marked as follows:

- (1) Means as a ratio of self-employed and employees – ie. 33 per cent of self-employed workers are women
- (2) Means as a ratio of the particular group – ie. 10.6 per cent of women workers are self-employed

Categories marked under (2) may not sum to 100 due to a small number of workers employed through government schemes or who work unpaid for their families, who are not included here.

## Characteristics of workers by sick pay status (Health and wellbeing at work survey)

	SSP Only (%)	Above SSP (%)	Don't Know (%)	SSP Only excluding Don't Know responses (%)
Total	26	57	17	32
Employer size				
Small	42	42	16	50
Medium	30	53	17	37
Large	20	63	17	24
Sector				
A private sector business	27	57	16	33
A public sector organisation	24	58	18	29
A voluntary/not for profit sector organisation	31	59	10	35
Other	26	47	28	36
White or blue collar				
White	23	62	15	27
Blue	33	42	25	44
Occupation				
Managers, Directors and Senior Officials	18	75	7	20
Professional Occupations	18	63	18	22
Associate Professional and Technical Occupations	19	63	18	24
Skilled Trades Occupations	36	48	16	43
Administration and Secretarial Occupations	27	61	13	31
Caring Leisure and Other Service Occupations	39	43	18	48
Sales and Customer Service Occupations	32	50	18	39
Process, Plant and Machine Operatives	29	49	22	37
Elementary Occupations	36	37	27	49
Supervisory status				
Supervisor	23	65	12	26
Non-supervisor	29	50	21	37
Contract				
Permanent	25	59	16	30
Temporary	36	31	33	54
No contract/informal/casual	45	31	24	59
Hours				
Part-time	35	42	22	46
Full-time	24	61	15	28
Age				
16-24	33	38	29	46
25-34	28	53	19	35
35-49	24	61	15	28
50-59	24	63	13	28
60-65	25	64	11	28
Over 65	36	43	21	46
Ethnicity				
White	27	58	16	32
Mixed	25	38	37	40

Black	28	53	19	35
Asian	25	60	16	29
Other	17	60	23	22
Gender				
Female	29	52	19	35
Male	24	62	14	28
Long-term physical or mental health condition, illness, injury or disability				
Yes	32	55	13	37
No	25	58	18	30

## Characteristics of self-employed workers (Labour Force Survey)

Characteristic	Variable	Self employed	Employees
Sex (1)	Female	33	49.7
	Male	67	50.3
Sex (2)	Female	10.6	89
	Male	19.2	80.4
Age (1)	16-24	3.5	12.7
	25-34	16.2	24.6
	35-49	34.9	33
	50-64	35.8	26.7
	65+	9.5	2.9
Marital status (1)	Married or in a civil partnership	61.2	50.2
Race (1)	White	87.8	87.7
	BAME	12.2	12.3
Race (2)	White	15.1	84.5
	Mixed/Multiple ethnic groups	14.2	85.4
	Indian	13.4	86.3
	Pakistani	24	75.8
	Bangladeshi	16.2	83.1
	Chinese	8.2	91.2
	Any other Asian background	15.1	84.1
	Black/African/Caribbean/Black British	12.2	87.3
Other ethnic group	17.7	82.1	
Nationality (1)	UK nationals	86.5	86.1
	Non-UK nationals	13.5	13.9
Nationality (2)	India	7	93
	Irish Republic	17.6	82.4
	Pakistan	26.9	73.1
	Poland	13.2	86.8
	UK, British	15	84.5
	Other	15.8	83.9
Disability (1)	Equality Act disabled	15	13.5
	Not Equality Act disabled	85	86.5
Religion or belief (1)	No religion	43.9	47.4
	Religious	56.1	52.6
Religion or belief (2)	No Religion	14.1	85.5
	Christian (all denominations)	15.1	84.4
	Buddhist	24.4	75.6
	Hindu	15.6	84.2
	Jewish	31.1	68.5
	Muslim	21.4	78
	Sikh	13.3	86.3
Any Other Religion	21.7	77.8	