

Citation

Statutory Sick Pay changes:

Your guide to the April 2026 reforms

What's changed from 6 April 2026

The Employment Rights Act 2025 (the ERA) has brought huge reforms to Statutory Sick Pay. On 6 April 2026, three fundamental changes came in that'll affect every employer in the UK:

1. **Day-one entitlement**
   SSP is payable from the first day of sickness absence, removing the three 'waiting days'

2. **Universal eligibility**
   The Lower Earnings Limit (LEL) was abolished, making all employees eligible regardless of their earnings

3. **New calculation for lower earners**
   Lower-paid staff receive 80% of average weekly earnings or the flat SSP rate, whichever is lower

The changes will make SSP fairer and more accessible, particularly for part-time workers, those on zero-hours contracts, and lower-paid employees. But they also mean increased costs and potentially more short-term absences to manage.



Understanding the three key changes

1. SSP from day one: no more 'waiting days'

What's changed: SSP wasn't paid to employees for the first three days of any sickness absence, they were called 'waiting days'. On 6 April 2026, waiting days were scrapped entirely.

What this means for you: If an employee is off sick for a full week (Monday to Friday), they'll now get SSP for all five days. Before, they'd only receive SSP for the Thursday and Friday.

⚠ The impact on your business:

- SSP costs for any sickness absence, no matter how short
- Potential increase in single-day absences as there's no more financial barrier
- More frequent SSP payments to process

2. All employees eligible: End of the Lower Earnings Limit requirement

What's changed: Employees needed to earn at least £125 per week to qualify for SSP. This requirement has been abolished completely for SSP.

What this means for you: Every employee is now eligible for SSP, no matter how little they earn or how few hours they work.

⚠ The impact on your business:

- More of your workforce are entitled to SSP
- Significant if you employ part-time or variable-hours workers
- Complex payroll entitlement calculations for irregular workers



3. New calculation: 80% rule for lower earners

What's changed: For employees who didn't qualify because they earned below the LEL, there's a new way to calculate. Lower-paid employees will receive either:

- 80% of their average weekly earnings, OR
- The flat SSP rate (£123.25 per week from 6 April 2026)

Whichever is lower.

How this will work when an employee is off sick for a week:

Example 1: Very low earner

Sarah works 7 hours per week at £13 per hour = £91 per week

80% of £91 = **£72.80**

Flat SSP rate = **£123.25**

Sarah receives **£72.80** (the lower amount)

Example 2: Low earner

James works 21 hours per week at £13 per hour = £273 per week

80% of £273 = **£218.40**

Flat SSP rate = **£123.25**

James receives **£123.25** (the lower amount)

In simple terms:

- Very low earners (less than £154.05 per week) will receive 80% of their usual pay
- Everyone else receives the standard SSP flat rate of £123.25

The impact on your business:

- Variable SSP rates to calculate depending on earnings
- More complex payroll processes, especially for employees with fluctuating hours
- Need to calculate average weekly earnings accurately

What hasn't changed in SSP requirements

While these are significant reforms, some key aspects of SSP remain the same:

- **28-week maximum –** SSP is still only payable for up to 28 weeks of sickness absence
- **Medical evidence – T**hey can self-certify sickness absence for the first seven days but then they are required to produce a fit note

The Fair Work Agency: New enforcement powers

The enforcement of SSP will be coming under the new Fair Work Agency (FWA) – a single enforcement body with significantly enhanced powers.

The FWA can:

- Issue penalties of up to 200% of any underpayment (capped at £20,000 per worker)
- Pursue criminal penalties for serious breaches
- Enter your premises to inspect records
- Seize documents and evidence
- Recover their own enforcement costs from you

Although it's not a legal requirement, it's best practice to keep records of:

- All SSP calculations and payments
- Absence records and self-certificates
- Return to work interview notes
- Medical evidence (fit notes)



What you need to do now

1. Review your workforce

Identify newly eligible employees:

- List all employees currently earning below the previous LEL
- Estimate how many more people will now qualify for SSP
- Calculate how much extra SSP payments could cost and budget accordingly
- Review your company sick pay scheme if you offer one above SSP
- Think about the impact on employees with variable or irregular hours

2. Update your payroll systems

Make sure your systems are ready:

- Check your payroll software can handle SSP from day one (not day four)
- Confirm it can calculate the 80% rule for lower earners automatically
- Test it removes the earnings threshold check



3. Strengthen how you manage absences

Make sure your processes are watertight:

- Require self-certification forms for every absence, including single days
- Conduct return to work interviews after every absence and document them
- Train managers on when and how to escalate absence concerns
- Have a clear absence policy that's applied consistently across the business
- Review any absence patterns regularly so you can spot issues early

4. Train your managers

Get your managers ready:

- Brief them on who qualifies (everyone), when it's payable (day one), and how it's calculated
- Show them how to hold effective return to work conversations
- Teach them what documentation you need and why it matters
- Make sure they're confident having difficult conversations about attendance
- Provide clear guidance on when they should escalate concerns to HR

5. Get your records audit-ready

The FWA has just been established and is in a transition period. While they likely won't start taking action against employers for SSP until 2027, you can start to get ahead of the game and prepare for potential inspections.

Prepare for Fair Work Agency inspections:

- Check your payroll, calculations and payment records
- Keep records of SSP calculations, SSP payments, absence records
- Make sure records are accurate, organised, and can be produced quickly

The bottom line

The SSP reforms represent a significant extension in employer obligations. While they make sick pay fairer and more accessible for employees, they also mean increased costs and administrative complexity for businesses.

The key to managing these changes successfully is preparation:

- Understand exactly how the changes affect your workforce
- Strengthen your absence management processes
- Get your payroll systems ready
- Train your managers properly
- Keep accurate, accessible records

Done right, good absence management can improve employee wellbeing and create a more engaged workforce. But it requires consistent processes, trained managers, and a willingness to have difficult conversations when needed.

The changes are now live. If you're not already prepared, now's your time.

Citation, here to support you through employment law changes

If you're uncertain about any of the SSP changes or other ERA changes, we're here to provide expert HR and employment law support.

Get in touch today by calling **0345 844 1111** to find out how we can help protect your business and keep you compliant.

This guide is based on the Employment Rights Act 2025 and reflects the position as of April 2026. While every effort has been made to ensure accuracy, employment law can be complex and every situation is different. For specific advice on your circumstances, please consult an employment law professional.

Citation