

## Considerations for employers when managing sick leave and pay

The Government announced this week that it has started public consultation on proposals to introduce legal requirements on employers to provide sick pay to employees. It has given a commitment to enact statutory sick pay legislation by the end of next year and follows a private members' bill from the Labour Party.

There is no legal requirement in Ireland to provide sick pay to employees even though the majority of organisations do provide some support. And if an employer does provide sick pay, the duration of the payment period is at their discretion or as per the terms of the contract of employment. However, the lack of sick pay among lower paid employees was highlighted at the early stage of the current health crisis.

Opposition politicians raised the issue of those working in certain sectors as being financially vulnerable if they had to isolate as a result of Covid-19. In the early stages of the pandemic, there were a number of highly publicised clusters across the country in retail, nursing homes and meat processing plants.

However, any employee who has been medically certified as having Covid-19 or is in a period of self-isolation as directed by a doctor, is entitled to the Covid-19 Enhanced Illness Benefit payment of €350 per week.

It was also announced in October's budget that the number of waiting days for the standard Illness Benefit, paid at €203 per week, will be reduced from six days to three for new claims from the end of February 2021.

### **Incidence of sick pay policy in Irish Organisations**

According to the Adare Human Resource Management HR Barometer Report, 2020 eight in ten (82%) Organisations state they have sick pay policies in place, which is a significant increase on 2019 when 55% of organisations stated they had one in place. This increase may, in part, be attributed to the impact of the health crisis to provide reassurance to employees but it does have a financial implication for the employer.

The research also found that the number of Organisations that have qualifying criteria or service to receive sick pay has not seen any major shift in trends, with seven in 10 Organisations stating they do have qualifying criteria; this is in line with our previous years' findings.

This year's HR Barometer found that there is an increase in the number of days that are covered by Organisations' sick pay policies, now averaging at 50 days up from 33 days in 2019.

### **Key considerations**

If your Organisation has a sick leave pay policy in place, we recommend that it is reviewed regularly along with any intelligence or insights available relating to employee absenteeism as well as additional state supports during the Covid-19 crisis. We also advise employers to ensure the terms of the policy do not encourage short-term absence but have qualifying criteria.

For Organisations that do not have a sick leave pay policy in place, this week's announcement could cause additional stress for employers given it will inevitably lead to additional costs, which in the current environment may be a struggle for Organisations and in particular those in the Community and Voluntary Sector.

As an overall approach to the proactive management of sick leave or absence, Organisations should look to implement health and wellbeing initiatives, which can promote real positive outcomes.

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