

Addendum to Impact Assessment: Additional costs and benefits of extending entitlement to parents of children above the age of 17

Background

This note provides estimates of the *additional* costs and benefits of extending the proposed statutory entitlement to Parental Bereavement Leave and Pay. That is, extending eligibility for leave and pay from parents who lose a child aged 0-17 years old to include all parents, regardless of the age of their child.

The methodology underpinning these estimates mirrors that of the impact assessment published on 14 May 2018¹ so is not described in full here.

Eligibility and take-up

We use ONS and NRS data² to calculate the number of deaths of children over the age of 17, and from that the number of parents likely to be affected³. Applying the same methodology in relation to self-employment, employment rates⁴ and tenure, as used in the original impact assessment suggests that approximately 13,200 additional parents per year will be entitled to Parental Bereavement Leave and 12,000 to Parental Bereavement Leave *and Pay*.

Our estimates of the proportion of eligible parents who would take up this entitlement mirror those of the impact assessment⁵. Specifically, at our best estimate, we assume that 100% of parents will take leave (and where eligible pay) for one week, and 75% will continue to take leave (and where eligible pay) for a second week.

Costs and Benefits

Extending entitlement to Parental Bereavement Leave will not add to one-off costs; either to business or the exchequer. These consequently remain as outlined in the impact assessment. Recurring business costs and benefits will increase, however, as the number of parents requesting and taking leave and pay rises. Similarly, recurring exchequer costs and employee benefits will also increase. Accounting for the costs and benefits businesses and employees already experience in relation to existing bereavement leave schemes, the additional impact of extending the entitlement as outlined above is set out in Table 1 below.

¹ <https://services.parliament.uk/bills/2017-19/parentalbereavementleaveandpay/documents.html>

² Deaths by single year of age, ONS, July 2017.

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/deathregistrationssummarytablesenglandandwalesdeathsbyingleyearofagetables>. National Records of Scotland, Deaths by single year of age, <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/vital-events/deaths/deaths-time-series-data>, 2016.

³ We do not include deaths of those age over 50 in our estimates given the very low proportion of living parents of these children who will be employees, i.e. will not have retired.

⁴ Except that we apply age-related employment rates here because the much wider range of parental ages yields a wide range of employment rates.

⁵ See page 10: <https://services.parliament.uk/bills/2017-19/parentalbereavementleaveandpay/documents.html>

Table 1 – Additional costs and benefits of extending entitlement to parents of children above the age of 17

		Best Estimate
ADDITIONAL COSTS		
Recurring (annual) business costs		£2.4m
<i>Of which reorganisation costs</i>		£2.1m
<i>Of which wage-like costs</i>		£0.1m
<i>Of which recurring admin costs</i>		£0.2m
Recurring (annual) exchequer costs		
<i>Of which on-going statutory payment cost (discounted by amount covered by business)</i>		£2.8m
<i>Of which recurring administrative costs</i>		£0.2m
ADDITIONAL BENEFITS		
Additional statutory leave payments to individuals		£2m
Reimbursement benefit to businesses that currently have paid bereavement leave policy		£0.9m