

*These notes refer to the Employment Act 2002
(c.22) which received Royal Assent on 8 July 2002*

EMPLOYMENT ACT 2002

EXPLANATORY NOTES

SUMMARY OF REGULATORY IMPACT ASSESSMENT

Participation in the labour market and retention, and development of skills

Paternity leave and pay

199. The law will provide fathers with an entitlement of 2 weeks paid leave (at £100 per week) to be taken during the first 8 weeks of the child's life. The intended effect is to give fathers a chance to support the mother during this crucial period and to assist them in building a relationship with the new child.
200. The main benefits arise for fathers and their families. In total they will receive £63 million in form of the statutory payments. They also have more time off during a crucial period in their family life.
201. There are costs for business. Many firms already offer some form of paternity leave, either paid or unpaid. The additional burdens on business are therefore expected to be small. Costs arise from the provision of coverage for absent fathers of £25-42 million. These are recurring costs. Introducing the system costs business about £10 million (one-off) and running the system costs £21-32 million (recurring costs). There are costs to the Government because of the payments made to fathers of £63 million.