FABIAN SOCIETY

JOSEPH ROWNTREE FOUNDATION

CARING FOR CARERS

POLICY OPTIONS FOR CARERS' EMPLOYMENT AND FINANCIAL PROTECTIONS

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1. INTRODUCTION

Carers make a massive contribution to society which all too often goes unrecognised, unsupported and unrewarded. Yet public opinion strongly supports improved government support for carers. For example, British Social Attitudes finds that citizens strongly and consistently back higher social security spending on 'people who care for those who are sick and disabled'.[1]

This paper offers a number of policy options for consideration following a review of recent proposals to increase protections for carers, which aim to enable carers to sustain their caring role; to help them to combine caring and work; and to secure an adequate standard of living. We mainly focus on working-age carers, although it is also important to improve support for young carers and pensioner carers.

Key options recommended for consideration	
Timeframe for implementation	**Policy**
Immediate	1. Introduce a right to up to **2 weeks paid carer's leave** paid at the same rate as maternity/paternity pay (with the possibility of a further 2 weeks of unpaid leave to match the existing entitlement for parents). We estimate this to cost the government £13m per year.
	2. Introduce a **'right to return' for carers** – ie an entitlement to an unpaid career break of up to 12 months that replicates maternity leave. This could be introduced without new expenditure, relying on existing social security benefits.
	3. Introduce a **work allowance for carers** within universal credit. Permit recipients of carers' benefits to take part in **full-time education** without consequence.

		Also consider permitting carer's allowance recipients to earn more before losing the benefit.
Within five years	4.	**Improve data sharing arrangements within the public sector** so that carers are automatically offered all entitlements and support available across DWP, social care and the NHS.
	5.	Create **paid statutory leave and/or earnings replacement insurance** for carers, available for up to 9 to 12 months.
	6.	**Make 'caring' a protected characteristic in equality law**, whenever any broader revision to the Equality Act is underway.
	7.	Increase support for unpaid carers from local government by **providing more short breaks and choice around caring** as part of wider reforms to adult social care in England.
Longer-term	8.	**Improve the adequacy of means-tested benefits for non-working households with a carer**, when this is affordable, as part of a wider change to universal credit payment levels.
	9.	**Introduce a new credit for carers' pension saving** worth at least the value of the tax relief that non-working carers would receive if they were employees. Also consider early access to pensioner benefits for some carers aged under 66.
	10.	**Consider increasing the value of carer's allowance** to reward the contribution of carers' irrespective of their household income or assets.

There are approximately 5 million unpaid carers in England and Wales.[2] The value of unpaid care has been estimated as almost equivalent to a second NHS.[3] However, 44 per cent of working-age adults who are caring for 35 hours or more a week live in poverty,[4] and a Carers UK survey found 40 per cent of carers providing high levels of care had given up work for their caring role.[5] Ninety-one per cent of unpaid family carers feel ignored by the government, and 86 per cent agree that successive governments have ignored the needs of unpaid carers for a long time.[6]

With an election set to occur within the next year, parties are preparing their offer to voters, and policies to support carers must form a key part of this. In developing such policy proposals, it is important to consider that there is no single experience of caregiving. The policy options we examine bring different kinds of benefits to carers in many different circumstances – for example, those currently in work, those who recently worked, and those out of work for many years. A combination of policies would help ensure the best coverage of support across these different groups of carers (see Appendix for a more detailed explanation of policies). When discussing, evaluating and comparing each policy proposal the following questions provide a guide:

How many carers are supported by the policy?	How much difference does it make to different types of carers?	To what extent does it help people to combine work and caring, reduce job exits and support retention and return to work?	To what extent is it targeted towards carers facing the greatest poverty and hardship?
Is it fair between people with different backgrounds and protected characteristics?	What are the costs for the taxpayer and for employers?	What implications does it have for the long-term development of the social safety net?	How might it resonate with voters (both carers and non-carers) as part of a political narrative?

Key facts

Caring and work

- 600 people a day leave work to care.
- 59 per cent of unpaid carers are women.
- A third (33 per cent) of those surveyed by Carers UK who had given up work or reduced their working hours to care said that the ability to take time off through paid carer's leave would help them to return to work or increase their working hours.

- Age UK estimate that the value to the economy of carers being able to work is £5.3bn.
- 23 per cent of carers report that financial concerns, such as the loss of carer's allowance or other benefits, are a barrier to entering employment, education or training.[7]

Caring and poverty

- Almost half (46 per cent) of unpaid carers receiving carer's allowance are cutting back on essentials, including food and heating.
- 72 per cent of these carers are worried about the impact of caring responsibilities on their finances (eg petrol for hospital visits, heating, specific dietary requirements).
- Carers only receive around £43 per week extra in universal credit compared to the standard allowance, and carer's allowance is the lowest of all comparable benefits.
- Black and minority ethnic carers represent 10 per cent of all carers in England.[8] Carers from minority communities tend to care for longer hours and are more likely to be struggling financially.[9]

2. SHORT TERM LEAVE SCHEMES

Proposal: Introduce a right to up to two weeks paid carer's leave (with the possibility of a further two-week unpaid leave extension to match the existing entitlement for parents).

Key beneficiaries: carers juggling work and care on an acute or ongoing basis

Due to the fluctuating demands of caring, working carers sometimes need to look after relatives or friends during their normal working hours. Short-term leave policies allow working carers to take short periods of time off to care and enable them to sustainably balance caring and employment. This helps those who are juggling work and care, and those who may suddenly or unexpectedly find themselves needing to provide care.[10]

While time-off for emergencies and flexible working requests can support the needs of working carers to an extent, not all employers can accommodate requests and neither measure enables carers to take planned periods of leave for caring. This results in many carers using annual leave, reducing their working hours, or leaving their job to care. A 2019 survey found that in a period of 12 months, 46 per cent of working carers had used their own annual leave to provide care, and 15 per cent had taken sick leave to care.[11]

Policy options

The Carer's Leave Act 2023 will be implemented on 6 April 2024, establishing a new right to up to **one week of unpaid carer's leave** per year that can be taken flexibly in half-day segments. Parties should consider developing on the new law in two ways.

(a) Two weeks of paid carer's leave. The charity Carers UK, which led the campaign for unpaid carer's leave, is now campaigning for a right to paid carer's leave. It found that one third (33 per cent) of carers who had given up work or reduced their working hours to care said that the ability to take time off through paid carer's leave would help them to return to work or increase their working hours. Nineteen per cent said the same about unpaid carer's leave.[12]

The charity proposes that 10 days of paid leave should be available per year.[13] Based on the experience of employers who already offer paid carer's leave, it expects actual leave taken to average only around 3 days per year;[14] but the 10-day allowance would give carers the security to take leave when they need to, rather than saving it up in case they require it later.

One option is that people should be entitled to a statutory minimum level of carer's pay, set at the same rate as flat-rate statutory maternity/paternity pay (£172.48 per week in 2023/23). Most of this cost would be funded by the government, as is the case with parental leave schemes. The modest payment level, along with expectations of low annual take-up (initially at least) and a low number of days of leave per beneficiary make this an affordable policy. The Fabian Society's central estimate is that the government cost would be £13m per year.[i] Given this low cost there is also the option of the measure being fully funded by employers, as is the case with sick pay.

Whatever approach is followed, the aim should be to design a scheme where many employers choose to go further than the minimum statutory entitlement by self-funding carer's leave at or close to full pay. Over time all statutory paid leave schemes should be reformed so that they provide a minimum percentage of usual earnings rather than a low flat-rate. This was the central proposal of the Fabian Society's 2023 report In Time of Need.[15]

Other countries have similar short-term paid leave schemes in place. In **Germany**, employees are given up to 10 days leave to organise care or to care themselves for a relative in case of emergency. This is paid through the benefits system at a rate of 90 per cent of earnings (minus employee social insurance contributions).[16]

(b) An unpaid carers' leave extension of at least two further weeks. The Fabian Society has proposed that carer's leave should be available for up to four weeks. This would comprise whatever entitlement to paid leave is introduced (as above) followed by the remainder unpaid, bringing the total to 4 weeks. The policy is designed to replicate the existing right of parents to

[i] Fabian Society central estimate calculation: 2,010,000 eligible working carers * 10 per cent take-up * £36.81 per day payment (2024/25 rates) * average of 3.5 days leave per year = gross cost of £26m. Net cost = gross cost less employer contribution to costs of statutory pay schemes (approx. 5 per cent) less additional revenue from income tax and employee and employer National Insurance Contribution on statutory payment (43.8 per cent of payment)

take up to four weeks a year of unpaid parental leave. It would come with the same flexibilities as the new one-week carer's leave entitlement.

Take-up of the full annual entitlement of four weeks leave would be very unusual but the provision would increase flexibility and peace of mind for carers and give them parity with parents. Extending the duration of unpaid leave could be implemented using secondary legislation under the Carer's Leave Act.

3. LONG-TERM LEAVE OR EARNINGS REPLACEMENT

Proposal: Introduce a 'right to return' for carers – ie an entitlement to an unpaid career break of up to 12 months that replicates maternity leave. This should be a first step towards creating paid statutory leave and/or earnings replacement insurance for carers. Initially the 'right to return' could be introduced without new expenditure, relying on existing social security benefits.

Key beneficiaries: people caring for those with long-term, recurring or some chronic conditions and stopping work to care

For those who develop significant caring responsibilities, staying in work is often no longer an option. Examples include providing care during recovery from a major operation or cancer treatment, care at the end of life, or providing support during transition into residential care. Many carers may wish to return to work when their caring responsibilities are less intense.

Long-term leave and earnings replacement policies allow carers to retain a connection to work while they take time off to care for a period of months. Currently, 600 people a day leave work to care.[17] A Carers UK survey found fifty-seven per cent of those who had stopped working or reduced their working hours to care attributed their decision to the stress of juggling work and care.[18] Long-term leave policies would allow carers to take a break from work without having to leave their job and return when they are able. Given that 59 per cent of unpaid carers are women, these policies are particularly important for keeping more women in the workforce.[19]

Policy options

(a) A 'right to return' after a career break. As a first step, policymakers should consider creating a 'right to return' for carers who need to stop work.

This would create a requirement for employers to hold open a job for up to 12 months, replicating the provisions of statutory maternity and adoption leave. This would not come with any new financial support at first: carers would need to apply for universal credit and/or carer's allowance, and employers would be encouraged to develop voluntary carer's leave pay schemes mirroring their occupational maternity pay schemes.

This policy is distinct from the right to short, flexible blocks of leave discussed above. It is a right to an extended absence and would need to work in a way that was predictable for employers. Under Fabian Society proposals it could be taken only as a single block; under a similar JRF proposal it could be taken in up to three blocks. The process for requesting long-term leave could come with a mechanism for employers to request a delay, as with unpaid parental leave (although this would not be appropriate in cases of emergency or end of life care). It could apply initially to large and medium sized employers, who are best placed to keep jobs open.

(b) Paid long-term leave or earnings replacement. Once an unpaid entitlement has been successfully implemented, the government should increase income support for those taking a carer's career break.

The Fabian Society and JRF have both developed proposals for long-term paid leave. The JRF proposal is to provide up to nine months of statutory carer's pay, mirroring statutory maternity pay. The payment level would match that of statutory maternity pay, which is currently 90 per cent of average pay, capped at £172.48 per week after the first six weeks. The policy would be almost entirely funded by the government, as maternity pay is, though employers would be encouraged to provide their own additional schemes. JRF estimates that this would carry a net cost of £420m to the exchequer each year based on estimated take-up by 65,000 carers.[20] As with SMP, this policy would only support people in an ongoing employment relationship, so for those who are self-employed, work in casual short-term jobs, or have recently stopped working, support would continue via the benefits system.

The Fabian Society addresses this coverage issue by proposing an entitlement to 'carer's insurance' covering up to 12 months. The entitlement would cover all carers with a recent attachment to work using eligibility rules mirroring those of maternity allowance. Initially, the payment would be made at the same rate as maternity allowance (ie the flat rate of maternity pay available after the first 6 weeks of maternity leave or to those out of work). In the long term, the society recommends an earnings-related scheme paying up to 50 per cent of previous pay, as part of broader proposals for employment insurance. If treated as earned income under universal credit, it is estimated that the benefit might cost an **extra £470m a year** and be paid to 110,000 people at a time if paid at the rate of maternity allowance.[21]

Initially we think the cost could be much lower, since we would expect use of the new payments to build up gradually. Both the JRF and Fabian Society costings are based on assumptions about take-up which are uncertain, as it is difficult to assume take-up of a new entitlement. For example, the Fabian Society model assumed full take-up by people substituting from another less generous benefit and 50 per cent take-up by others.

These policies are designed both to help some carers adjust gradually to an extended period without work, and to enable others to return to work more quickly after up to a year out of work. The Fabian Society describes its proposal as both 'a cushion' and 'a trampoline'. As such these policies are expected to carry an economic benefit by retaining carers' proximity to the labour market.

The former Department for Business, Energy and Industrial Strategy's impact assessment on carer's leave estimated the cost to government of carers leaving work in England to be approximately £2.9bn per year: £1.2bn of lost tax revenue from their earnings and an extra £1.7bn spent on social security benefits paid to out of work carers.[22] Retaining more carers would also bring benefits to employers – one study estimates the direct costs of losing an employee, including lost productivity and recruitment costs, to be between 100 and 150 per cent of the employee's annual salary.[23]

More evidence is needed on the likely employment effects of specific policy interventions, though analysis of Japan's long-term care leave policy suggests this type of policy prevents people from dropping out of the labour market even more so than other mitigations such as flexible working.[24]

Several other developed countries have earnings-related long-term leave schemes for carers:

- In **Denmark,** carers can take up to six months of leave, during which they can be employed by their municipality and receive up to €3,380 per month (but no more than previous earnings). The carer is able to maintain their entitlement to unemployment benefits, holiday pay, etc.[25]
- In **Japan,** care givers can receive 93 days of leave paid at 67 per cent of previous earnings, which can be taken continuously or in three portions. Taking up the support entitles the worker to request changes in working hours and flexibility up to three years after the caring break.[26]
- In **Canada,** people who have had to stop work to care can receive income replacement worth 55 per cent of earnings (up to a maximum of $650 a week) as part of the country's broader employment insurance scheme. The maximum duration depends on

circumstances – 35 weeks to care for a sick child, 15 weeks for a sick adult and 26 weeks for an adult at the end of their life. Eligibility is strict with respect to the circumstances of the cared-for person: the scheme is available following the onset of a serious illness or disability, or when someone is terminally ill, but not to care for someone with an ongoing disability.[27] Employee leave entitlements are separate and vary between municipalities.

- In the **United States**, carers for veterans with a serious injury or illness can take up to a total of 26 weeks of unpaid leave during a single 12-month period to provide care, if they work for a covered employer.[28]

4. SUPPORTING LONG-TERM CARERS INTO WORK

Proposal: Introduce a work allowance for carers within universal credit. As a secondary measure, reform carer's allowance by permitting higher earnings and more hours of education.

Key beneficiaries: people with ongoing intensive caring responsibilities who may be able to work part time

Many carers are in long-term high-intensity caring situations. They may not be able to work at all, or may work part-time alongside their caring responsibilities. This is often the case for those caring for someone with a long term severely limiting illness or disability. Many of these carers lack a recent connection to work and rely on benefits, such as universal credit or carer's allowance, as their only source of independent income.

However, payment levels are low and benefit rules can prevent carers who want to move into part-time work from being able to boost their income. UC is withdrawn gradually as people's earnings rise to make work pay, but it still provides less of a work incentive to carers than to parents or disabled people. Carer's allowance does not come with this feature and is withdrawn entirely once people earn £139 per week (2023/24). The complexity of this rule has led to some carers inadvertently accruing overpayments which then need to be repaid – in some cases in excess of £20,000.[29] Twenty-three per cent of carers report that financial concerns, such as the loss of carer's allowance or other benefits, are a barrier to entering employment, education or training.[30]

Introducing a work allowance for carers on UC and reforming carer's allowance would help carers who are able to work part-time to do so without losing their entitlement to caring benefits. This could help reduce carer poverty, enable carers to have an additional source of independent income, and boost the economy. Age UK estimates that the cost to the economy of carers being unable to work is £5.3bn.[31]

Policy options

(a) Introduce a work allowance for carers on universal credit. Carers UK proposes that unpaid carers in receipt of universal credit should be given a work allowance to make work pay.[32] This would create a work incentive for carers to move into work (in line with the incentive currently available to parents with dependent children and disabled people). It would also increase the incomes of eligible carers receiving universal credit who do work. Similarly, in 2019, the Fabian Society included carers alongside parents in a call for the creation of a work allowance for second earners.[33] Both of these policies are likely to be cheap: few would initially be eligible and moving more people into work would generate savings to the exchequer that would offset the costs of the allowances.

(b) Increase work incentives for those claiming carer's allowance. Carer's allowance could also be reformed to allow carers to earn more while remaining entitled to the benefit. Carers UK propose the earnings limit for carer's allowance should increase from its current value of £139 per week to the value of 21 hours of work per week, pegged to, and automatically increasing in line with, the national living wage (NLW).[34] A lower cost option would be to set the threshold to a lower number of hours on the National Living Wage but then ensure it was increased annually in line with NLW increases; or to stage increases over time, eventually reaching the goal of 21 hours at NLW.

Another option suggested by the House of Commons work and pensions committee is to introduce a taper rate for carer's allowance similar to that used for universal credit. This would help remove the "cliff edge" problem – that carers allowance is withdrawn completely as soon as the earnings threshold is reached.[35] This policy would likely come with greater operational complexity than raising the earnings threshold. It might be something to consider in the future if new technology for the delivery of carer's allowance was introduced, but is not possible with current systems. Costings for these policies are not available but as with the UC proposal, costs at the outset would be offset by savings arising from increases in carers' employment and earnings.

(c) Allow people in full-time education to receive carer's benefits. As with work, restrictions also apply to education. Carers in receipt of carer's allowance are not permitted to study for more than 21 hours per week. Carers in receipt of universal credit will be penalised if they take part in education classified as full-time (unless they are exempt for another reason). These rules particularly impact young adult carers. Young adult carers are four times more likely to drop out of college or university than students without caring responsibilities, and 24 per cent of young adult carers in school say they cannot afford to go to college or university.[36]

The cost of this policy would depend on detailed eligibility rules and take-up but would be in the tens of millions. Scotland are currently trialling this policy and the UK Government should pay close attention to the results with a view to adoption for England and Wales.

5. SUPPORTING CARERS WHO ARE UNABLE TO WORK

Proposal: Improve the adequacy of means-tested benefits for non-working households with a carer, when this is affordable, as part of a wider review of universal credit payment levels.

Key beneficiaries: people with ongoing intensive caring responsibilities who are often unable to work at all

Many people with high-intensity caring responsibilities (ie over 20 hours per week) are unable to work at all due to the intensity of their caring responsibilities. Some carers also have disabilities or parenting responsibilities that limit their ability to work.

Benefit levels in the UK for those out of work to care are very low by international standards. Carers only receive around £43 per week extra in universal credit compared to the standard allowance.[37] This is despite carers on benefits having no work requirements, facing a high risk of being without work for an extended period and potentially facing additional costs associated with their caring role. Carer's allowance pays the least of any out-of-work benefit – just £76.75 per week in 2023/24.

High-intensity carers experience high levels of poverty and have been severely impacted by the recent cost of living crisis. Carers UK's State of Caring 2023 survey found almost half (46 per cent) of unpaid carers receiving carer's allowance are cutting back on essentials, including food and heating.[38] Seventy-two per cent of carers are worried about the impact of caring responsibilities on their finances (eg petrol for hospital visits, heating, specific dietary requirements).[39] Increased support through the benefits system would help these carers remain above the poverty line, though this would come at a considerable cost given the high numbers involved.

Policy options

(a) Tackle carer poverty as part of broader reform of universal credit. The Fabian Society proposes that means-tested benefit payments for households containing a carer should be increased to around the poverty line, by increasing the generosity of universal credit allowances including the carer's element.[40]

JRF's Essentials Guarantee report proposes several policies to ensure universal credit protects people from going without the essentials. These include an independent process to regularly determine the Essentials Guarantee level, ensuring that the basic rate of universal credit must at least meet this level, and that any deductions cannot pull support below this level.[41] Carers UK has also proposed a review of all carer's benefits. A letter containing this recommendation was signed by 66 charities.[42]

An alternative method for providing income to out-of-work carers would be through direct payments. The Fabian Society have called for the better promotion and application of existing rules that allow disabled people eligible for social care to pay their informal carers a direct payment in certain circumstances (usually when the carer does not live in the same household).[43]

(b) Consider increasing carers allowance to match changes in Scotland. The first priority within social security should be to improve the adequacy of means-tested benefits to reduce the incidence of poverty. But there is also considerable interest in increasing the level of non-means-tested carer's allowance. The Scottish government has supplemented carer's allowance with additional lump-sum payments paid every six months (£270 in 2023). These are designed to bring the value of carer's allowance up to other out-of-work benefits. The system is scheduled to be replaced by a Scottish carer support payment paid weekly at the value of other benefits. Age UK and Carers UK recommend that carer's allowance in the rest of the UK should be increased in line with the changes in Scotland.[44]

The Scottish approach benefits large numbers of carers, but comes at a cost. The Fabian Society estimate that raising carer's allowance by around £8 per week to match other out-of-work benefits would support 910,000 people at a cost of £410m (assuming a GB-wide increase, with Scotland able to spend its share of the budget elsewhere). Increasing the carer's element for UC (and predecessor benefits) by £15 per week would benefit 690,000 people at a cost of £540m per year. These calculations do not account for any changes in take up.

6. OTHER PROPOSALS TO SUPPORT UNPAID CARERS

6.1 Pension contributions

Proposal: Introduce a new credit for carers' pension saving worth at least the value of the tax relief that non-working carers would receive if they were employees.

Key beneficiaries: carers experiencing periods away from work or without employment

Carers who stop work find their retirement income is affected as a result. This particularly impacts carers for those with serious long-term illnesses and disabilities, who may be out of the labour market for a long time. The 2017 independent review of the state pension age made specific mention of carers as a group of concern due to their tendency to have time away from paid work.[45] Policies to support private pension saving for carers could reduce pensioner poverty and reduce inequality in pension savings between carers and non-carers. There are also implications for the pensions gender gap as more women than men are unpaid carers.

Policy options

(a) Introduce new pension saving for carers. Policymakers should explore options for the government to pay into the pensions of those who have to take time out for caring as part of a wider review of pension policy. Carers UK suggest this could be done by setting up auto-enrolment payments for those in receipt of carer's allowance.[46] The Pensions Policy Institute modelled a defined contribution pension paid at the level available to someone working full-time on the national living wage (£820 per year in 2019).[47] Coverage included everyone caring for an adult with either no earnings or earnings below the full-time national living wage. The Fabian

Society suggested a cheaper option of paying carers the pension tax relief they were missing out on.[48]

(b) Early access to pension incomes. Carers UK and Age UK have suggested that unpaid carers should be able to access their state pension up to five years earlier than usual.[49] A forthcoming Fabian Society report proposes raising universal credit (and equivalent legacy benefit) payments to pension credit levels for carers in the years leading up to the state pension age who have been out of work for an extended period.[50] Modelling for this report estimates that providing this support to all carers aged 60+ would cost approximately £580m per year.[ii] Much more affordable versions of the policy could be developed – eg limiting eligibility to those aged 63-65, or to those who have been receiving carer benefits for an extended period.

6.2 Flexible work and non-discrimination

Proposal: make 'caring' a protected characteristic in equality law, whenever any broader revision to the Equality Act is underway.

Key beneficiaries: working carers who need flexible work

(a) Make caring a protected characteristic. Should the next government choose to revise the Equality Act, policymakers could take this opportunity to make caring a 10th protected characteristic under equality law.[51] This would send a major signal to employers and could potentially make it easier for a carer to bring forward a discrimination claim. It would complement the forthcoming extension of the right to request flexible work from day one of employment. This is because the 'teeth' of this right is that any refusal of flexible work is potentially discriminatory. Trade unions are calling for this new right to request to be expanded to include a requirement to publish flexible options available in recruitment adverts.[52] Improved enforcement of equality and flexible working law is also a priority and could significantly improve protection for working carers without a change in legislation.

6.3 Support from adult social care

Proposal: Increase support for unpaid carers from local government by providing more short breaks and choice around caring as part of wider reforms to adult social care in England.

Key beneficiaries: carers known to adult social care

[ii] This analysis defines carers as meeting one or more of the following conditions: they receive carers' allowance, or they are receiving universal credit and caring for a disabled adult or a disabled child in the family unit.

(a) More short breaks and choice about caring. Only a small minority of unpaid carers receive carer's assessments from social services or support from local authorities in their caring role. Even fewer access paid services enabling them to take a break from caring. Carer's UK recommends that the government should provide more funding for social care to support carers juggling work and care by offering appropriate short breaks. The Fabian Society proposes that carers should have stronger rights and protections with respect to social care assessments, so it is easier for carers to say how much caring they want to do and access short breaks.

6.4 Data sharing and integration

Proposal: Improve data sharing arrangements within the public sector so that carers are automatically offered all entitlements and support available across DWP, social care and the NHS.

Key beneficiaries: Carers known to DWP, adult social care, or the NHS

(a) Improve data sharing arrangements. Carers' organisations are calling for improved application processes and data integration within DWP concerning caring status. This would ensure that everyone who applies for carer's allowance is also offered universal credit; and that people with an existing carer's allowance claim who apply for universal credit are automatically offered the UC carer's element. At the moment some carers receiving UC are losing their carer's allowance (as UC replaces it pound-for-pound) but not having this replaced by the UC carer's element.

The Fabian Society also proposes broader data sharing within the public sector so that social services departments are automatically provided with DWP and NHS data on caring status, so as to proactively offer assessment and support.

APPENDIX: SUMMARY OF POLICIES

Proposal	Type of beneficiaries	Ease of implementation (Easy, Medium, More difficult)	Benefits	Beneficiaries	Cost
Short-term leave					
IMMEDIATE: Introduce 2 weeks of short-term paid carer's leave	Carers juggling work and care on an acute or ongoing basis	Medium – requires primary legislation	Enables more carers to stay in work. Increases take-up of leave and reduces income loss to carers from unpaid days off to care	200,000 assuming 10 per cent take up (Fabian Society estimate)	£13m (assuming 201,000 beneficiaries taking 3.5 days a year)
IMMEDIATE: Introduce a further 2-week unpaid extension to create parity with parental leave	Carers juggling work and care on an acute or ongoing basis	Easy – secondary legislation under the Carer's Leave Act 2023	Creates parity between parents and unpaid carers. Useful for planned caring lasting several weeks (eg post operation)	Expected to be very low	No cost to government
Long-term leave or earnings replacement					

IMMEDIATE: 'Right to return' career break for up to 12 months – ie unpaid long-term carer's leave	Carers who need to stop working temporarily to focus on their caring role	Easy – secondary legislation under the Carers' Leave Act 2023	Enables carers to return to work easily after a period focused on caring. This helps retain skills and has economic benefits. It also gives stability to carers by providing a secure job to return to.	Number of carers who opt to take long-term leave rather than resign is unknown but expected to be very low in the absence of paid leave. Around 100,000 carers are in their first year of being out of work	Very low. Possible indirect impact on benefits spending – but likely to be very limited due to expected low take-up
WITHIN FIVE YEARS: Long-term statutory carer's pay leave OR Carers' earnings replacement insurance	Carers who need to stop working temporarily to focus on their caring role	Medium – statutory carer's pay requires legislation, and a new system of employment insurance requires consultation, design and legislation	Enables carers to return to work easily after a period focused on caring. A paid entitlement will significantly increase take-up of long-term leave.	Estimate for JRF proposal: 65,000 Estimate for Fabian Society proposal: 110,000	Estimate for JRF proposal based on 65,000 beneficiaries: £420m Estimate for Fabian Society proposal based on 110,000 beneficiaries: £470m
Supporting long-term carers into work or study					
IMMEDIATE: Introduce a work allowance for carers in Universal Credit. **WITHIN FIVE YEARS: Also include carers in a new second earners work allowance**	Carers with ongoing caring responsibilities who may be able to work part time – targeted at low income households	Easy – can replicate the structure of work allowance for parents/disabled people, and be implemented using regulations. The second earners allowance has significant spending implications (as it covers parents not just carers)	Makes part-time work pay for carers and increases their incomes.	Unknown but small number of carers on UC are currently in working households (these would benefit immediately). The policy is intended to change behaviour and incentivise work for a small fraction of the 600,000	If successful carer's work allowance will pay for itself by increasing earned income and reducing UC payments, by more than the cost of the work allowances.

				UC households containing a carer	
IMMEDIATE: Increase work incentives in carer's allowance	Carers with ongoing caring responsibilities who may be able to work part time (all carers not just those in low income households)	Easy – possible to do using regulations.	Makes part-time work pay for carers and increases their incomes.	The policy is intended to change behaviour and incentivise work for a small fraction of the 960,000 working-age carer's allowance recipients. It would also increase eligibility among some part-time carers so would lead to extra recipients.	Unavailable. Changes could be phased in, or changes could in future be linked to rises in the National Living Wage.
IMMEDIATE: Permit carers studying full-time to receive carer's allowance or universal credit	Especially benefits young carers aged 16-24	Easy – achievable through regulations	Supports learning and future employability, especially relevant for young carers	19,000 carers aged 16-24 caring 35 hours and in full-time education	Charities estimate £31m-£81m depending on eligibility rules. This is based on a highly unlikely scenario of 100% take-up and no overlap with UC[53]
Supporting carers who are unable to work					
LONG-TERM: Prioritise low income carers in a broader reforms of benefit adequacy	Carers in low income households, mainly those not working	More difficult – context of a wide-ranging and expensive review of universal credit Medium – stand alone increase in UC carer's element	Reduces poverty and increases living standards for carers in low-income households. Targets carers on the lowest incomes and most in need of support.	685,000 carers currently receive UC or predecessor	Increasing the carer's element for UC (and predecessor benefit) by £15 per week would benefit 685,000 people at a cost of £540m per year.[iii]

[iii] Fabian Society calculations using DWP administrative data

LONG-TERM: Increase carers allowance to match the changes introduced in Scotland	Carers with ongoing intensive caring responsibilities who are unable to work or who work very few hours (in families not receiving UC)	Medium – The UK government could easily replicate the changes in Scotland but this would require a spending commitment.	Increased income and recognition for carers eligible for carers allowance. This group of carers tend to live in households with other sources of income or savings.	910,000 carers currently receive carer's allowance	Raising carer's allowance by around £8 per week to match other out-of-work benefits would support 910,000 people at a cost of £410m.
Other proposals					
LONG-TERM: Introduce new pension saving for carers	Carers experiencing periods away from work or without employment	More difficult – consultation, design and legislation required	Increased income for carers in retirement. Helps to address the gender pensions gap.	1.6m carers are in receipt of carer's allowance or UC carer's element	Dependent on scheme design. £640m for contribution of £400 per year (approx. 2 per cent of full-time NLW earnings)
LONG-TERM: Early access to pension-level benefits	Carers aged over 60 unlikely to work again (or working with very low earnings)	Medium – consultation and design required, but can be achieved through regulations. Achieved with additional UC element for pre-retirement carers that matches pension credit payment.	Reduces poverty and depletion of savings for carers unlikely to work again close to retirement age	118,000 if applied to all carers on UC aged 60-65. Fewer if applied only to say 63-65s – or could be phase-in for one-year cohorts	£580m if applied to all carers on UC aged 60-65. Less if applied only 63-65s or phased in.
WITHIN FIVE YEARS: Make caring a protected characteristic	Working carers who need flexible work	Medium – should only be progressed if there is a wider revision of the Equality Act. Technical issues to make the right usable in practice.	Legal protection for carers from discrimination, increasing peace of mind and providing legal teeth to flexible work rights.	All carers - but especially the 2.5m working carers	No direct cost
WITHIN FIVE YEARS: More short breaks and choice about caring.	Carers known to adult social care	Easy – funding and statutory guidance machinery already exists	Improves carer health and wellbeing, and boosts the	380,000 carers per year receive support from adult social care in England.	£130m for carers breaks is notionally included in the Better Care Fund (no

			sustainability of the caring relationship	Unknown number receive breaks (via a service or direct payment)	increase since 2015/16). In 2019 Carer's UK called for this to be at least doubled and ring-fenced.[54]
WITHIN FIVE YEARS: Data sharing within and between DWP, local government and NHS	All carers who would benefit from support from public services or are not receiving all the support they are entitled to.	Medium – likely to be operational and regulatory constraints but DWP already shares data with local authorities	Ensure carers receive all entitlements they are eligible for. Enables proactive reach-out from adult social care and NHS to offer support	All carers known to DWP (1.6 million)	Low operational costs. Medium-term implications for spending if take-up or entitlements increases.

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