

## What Employers Must Know About New Neonatal Care Act

By **Louise Skinner, Matthew Howse and Aaron Grant** (March 13, 2025, 2:16 PM GMT)

In light of many families across the U.K. historically having to return to work while their newborns are admitted to hospital to receive medical care, the government has sought to introduce measures to ensure that some of the difficulties that thousands of parents face when their baby is in neonatal care are addressed through a day 1 right to statutory neonatal care leave and pay.

The U.K. Department for Business and Trade published a press release on Jan. 20, confirming that the Neonatal Care (Leave and Pay) Act 2023, passed by Parliament in 2023, will go into effect in the U.K. on April 6, subject to Parliamentary approval of the supporting regulations.

The supporting regulations were published in February. The Neonatal Care Leave and Miscellaneous Amendments Regulations 2025 provide details in relation to eligibility, notification requirements and entitlement for employees taking neonatal care leave. In addition, details regarding payment during periods of neonatal care leave have also been set out under the Statutory Neonatal Care Pay (General) Regulations 2025.

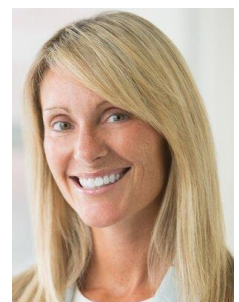
In this article, we explore in further detail the rights afforded under the act and supporting regulations, which are expected to benefit up to 60,000 new parents annually in the U.K.

### Statutory Neonatal Care Leave

The act will give parents the right to take up to 12 weeks' leave when their baby requires neonatal care, in addition to existing parental leave entitlements, such as maternity or paternity leave.

The entitlement will be a day 1 right for employees whose baby is born on or after April 6, 2025, meaning employees are entitled to the leave from the first day of their employment with a new employer. Neonatal care leave must be taken before the end of 68 weeks, beginning with the date of birth.

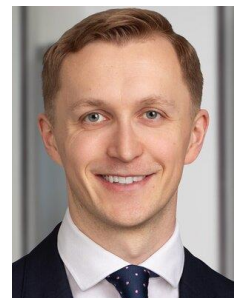
Neonatal care is defined as care for newborns who are admitted to a hospital, including a maternity home, clinic or outpatient department, or medical care in another place to which the child is moved on leaving hospital



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This is provided that the care is under the direction of a consultant, and includes ongoing monitoring by and visits from healthcare professionals arranged by that hospital for at least seven full days of medical, palliative or end-of-life treatment, within the first 28 days of their birth. If the child's medical care is required after the first 28 days of their birth, an employee will not be entitled to neonatal care leave.

Importantly, employees will be entitled to neonatal care leave on top of other family-friendly statutory leave entitlements.

There will be two tier periods relevant to the notice requirements employees must give their employers if they wish to take neonatal care leave. The Tier 1 period will be the period beginning with the day the child starts receiving neonatal care and ending with the seventh day after the day the child stops receiving neonatal care. The Tier 2 period will be any period of time that is not a Tier 1 period, but where an employee is entitled to take statutory neonatal care leave.

If an employee wishes to take leave during a Tier 1 period, this can be taken in nonconsecutive blocks of a minimum of one week, whereas if an employee wishes to take leave in the Tier 2 period, i.e. the remainder of the 68-week period, this must be taken in one continuous block.

For leave during a Tier 1 period, an employee must provide their employer with notice in respect of each week of such leave before the employee is due to start work on the employee's first day of absence from work in that week. In a case where it is not reasonably practicable for the employee to give such notice, it must be given as soon as is reasonably practicable.

An employee must provide 15 days' notice for one weeks' leave during the Tier 2 period, or 28 days' notice for two or more consecutive weeks of leave, unless an employer agrees to waive this requirement.

### **Statutory Neonatal Care Pay**

In addition to the statutory neonatal care leave entitlements, statutory neonatal care pay will be available to employees who meet the relevant continuity of service requirements and a minimum earnings threshold.

To be eligible, an employee must:

- Have generally been employed by their employer for a continuous period of at least 26 weeks;
- Have a parental or other personal relationship with a child who is receiving, or has received, neonatal care that continues without interruption for a period of at least seven days, beginning with the day after the day on which care starts; and
- Have normal weekly earnings that are not less than the lower earnings limit set by the government.

Statutory neonatal care pay will be paid at the statutory rate for a week's pay up to a maximum of 12 weeks. The weekly rate will be the lower of £187.18 (\$242) or 90% of an employee's normal weekly earnings.

Where the notice relates to a statutory pay week that begins in a Tier 1 period, notice must be given

before the end of the period of 28 days, beginning with the first day of the first statutory pay week to which the notice relates.

Where the notice relates to a statutory pay week that begins in a Tier 2 period, notice must be given no later than 15 days before the first day of the statutory pay week to which the notice relates.

For two or more consecutive statutory pay weeks beginning in a Tier 2 period, notice must be given no later than 28 days before the first day of the first statutory pay week to which the notice relates.

### **What Employers Should Be Doing Now to Prepare**

Employers should ensure that they are familiar with these new entitlements so that they are prepared to answer questions from employees on how to benefit from the new statutory rights. In addition, employers should ensure that managers and human resources teams are trained. This will enable them to support their employees should circumstances arise where they can benefit from the new neonatal care rights.

A key step in ensuring this is addressed is by updating any internal policies and employee handbooks to reflect this new entitlement, before communicating this to the workforce.

Where an employer offers enhanced benefits or protections beyond statutory entitlements in relation to other types of family leave, it would be prudent to consider whether to do the same in respect of neonatal care leave and pay. Where it does not, the employer should consider the internal messaging to be used to justify this decision.

Employers should also consider when to communicate the policy changes to the workforce, making clear when the entitlement will come into force. It will be important to ensure employees understand the interplay with other family-friendly leave entitlements, such as maternity leave, and how neonatal care leave entitlements can sit alongside these.

Employers should also show empathy and sensitivity in relation to the administration of neonatal care entitlements. Unlike many other family-friendly leave and pay entitlements, neonatal care will be relevant during what will no doubt be a distressing and unsettling time for employees. Ensuring they feel adequately supported and informed by their managers and human resources teams will be particularly important. It will also be prudent for employers to consider how else they can support employees in this scenario, e.g., through an employer-paid employee assistance program.

Payroll providers or teams must also be put on notice of these new entitlements to ensure they have accounted for the changes coming into force in April.

In conclusion, the new neonatal care leave and pay entitlements will prove to be significant to many parents in the U.K., and employers should ensure they understand the complex statutory provisions underpinning these rights before communicating them to their workforce.

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