

NEONATAL CARE LEAVE AND PAY: WHAT SMES NEED TO KNOW

Statutory rights to Neonatal Care Leave and Pay apply to eligible parents whose baby requires specialist neonatal care. This guide sets out what employers need to know and the steps your business should take to support staff and comply with the law.

Note: The provisions outlined in this guide represent statutory minimum entitlements. Employers can offer more generous terms, such as enhanced pay rates, longer leave periods, or reduced service requirements. Many employers choose to do this as part of their family-friendly benefits package.

WHAT IS NEONATAL CARE LEAVE?

Neonatal Care Leave is a day-one employment right for parents whose baby is admitted to neonatal care. It provides up to 12 weeks' additional leave, separate from maternity, paternity, adoption and shared parental leave.

An employee qualifies if:

- Their baby is born on or after 6 April 2025, and
- Is admitted to neonatal care within 28 days of birth, and
- Spends at least 7 consecutive days in that care.

This leave recognises the emotional, practical, and financial strain placed on parents when a newborn needs hospital care. It ensures parents can be with their baby without using up other types of leave.



WHAT QUALIFIES AS NEONATAL CARE?

There are three categories of medical care that count as neonatal care:

- Any medical care received in hospital.
- Medical care provided elsewhere, e.g. at home, after a baby is discharged from hospital, where that care is directed by a consultant. This includes ongoing monitoring and home visits from healthcare professionals arranged by the hospital where the baby received inpatient care.
- Palliative or end of life care.

Any medical care that doesn't fall within the definition above does not qualify, nor does any medical care that doesn't begin within the first 28 days of the baby's birth.

WHO IS ENTITLED TO TAKE NEONATAL CARE LEAVE?

Neonatal care leave is available from the first day of employment for:

- Birth parents
- Partners (including same-sex partners)
- Adoptive parents
- Intended parents under surrogacy arrangements

Each eligible parent has their own entitlement.

NEONATAL CARE PAY

Eligible employees may also receive Statutory Neonatal Care Pay (SNCP). This works in a similar way to other statutory parental payments and has two additional eligibility requirements:

- 26 weeks' continuous service with their employer by the end of the qualifying week, and
- have average earnings before tax of at least the Lower Earnings Limit of £125 per week¹ in the eight weeks (if paid weekly) or two months (if paid monthly) before the end of the 15th week before the expected week of childbirth.

¹ This is correct at the time of writing. Please check www.gov.uk for correct amounts.



Employees who meet both conditions will be entitled to statutory neonatal care pay for the weeks of leave they take. Employees who do not meet these requirements are still entitled to take neonatal care leave, but it will be unpaid unless the employer chooses to offer enhanced pay.

HOW MUCH NEONATAL CARE LEAVE CAN PARENTS TAKE, AND WHEN CAN IT BE TAKEN?

Parents can take one week of Neonatal Care Leave (NCL) for every seven consecutive days their baby spends in neonatal care. The maximum entitlement is 12 weeks.

The first qualifying week begins the day after the baby is first admitted to neonatal care (i.e. days 2 to 8 of care). Neonatal care leave can only start from day 9 onwards.

NCL must be taken within the first 6 to 8 weeks after the baby's birth (or placement, in adoption cases). Because many parents will already be on maternity, paternity, adoption, or shared parental leave during a neonatal admission, neonatal care leave will often be taken after the neonatal care ends, and usually after the original period of family leave has finished.

However, some parents – most commonly partners whose paternity leave has ended – may take neonatal care leave while the baby is still in neonatal care.

There are two categories of neonatal care leave, depending on when the leave is taken.

TIER 1: LEAVE TAKEN WHILE THE BABY IS IN NEONATAL CARE (OR IN THE FIRST 7 DAYS AFTER CARE ENDS)

- Tier 1 leave can be taken in non-continuous blocks of at least one week.
- The Tier 1 period ends 7 days after the baby stops receiving neonatal care.

In practice, Tier 1 leave is most likely to be used by partners, as birth mothers are usually still on maternity leave at this stage.

TIER 2: LEAVE TAKEN MORE THAN 7 DAYS AFTER NEONATAL CARE ENDS

- Tier 2 leave must be taken in one continuous block.
- Only one period of NCL can be taken in the Tier 2 period – it cannot be split.



NOTICE REQUIREMENTS FOR TAKING NEONATAL CARE LEAVE

The amount of notice required depends on whether the leave is taken in the Tier 1 or Tier 2 period.

NOTICE FOR TIER 1 LEAVE

Tier 1 leave covers weeks taken while the baby is still in neonatal care, or within seven days after care ends.

- Employees must give notice before the time they would normally start work on the first day of absence, unless this is not reasonably practicable.
- If advance notice is not possible, they must inform their employer as soon as reasonably practicable.
- Notice does not need to be in writing for leave (but written notice is required if the employee also wants to claim Statutory Neonatal Care Pay for the same period).

If a parent finishes paternity leave and intends to start Tier 1 neonatal care leave immediately afterwards, they must give notice before their expected return to work.

NOTICE FOR TIER 2 LEAVE

Tier 2 leave applies more than seven days after neonatal care ends. It must be taken in one continuous block.

- For one week of Tier 2 leave: notice must be given at least 15 days before the first day of leave.
- For two or more consecutive weeks: notice must be given at least 28 days before the first day of leave.
- Tier 2 leave notice must be in writing.

Employers and employees can agree to waive notice requirements if needed.

NOTICE REQUIREMENTS FOR STATUTORY NEONATAL CARE PAY

The notice rules for pay largely mirror the leave rules.

TIER 1 STATUTORY PAY

- Employees must give notice within 28 days of the first day of the pay week, unless this is not reasonably practicable, in which case they must give notice as soon as they can.



TIER 2 STATUTORY PAY

- For one week of pay: notice must be given 15 days before the start of the pay week.
- For two or more consecutive pay weeks: notice must be given at least 28 days in advance, unless this is not possible.
- As with leave, employers and employees may agree to waive notice requirements where appropriate.

HOW NEONATAL CARE LEAVE INTERACTS WITH OTHER LEAVE

Neonatal care leave is in addition to maternity, paternity, adoption or shared parental leave.

Examples:

- A mother continues maternity leave as normal and may take neonatal care leave afterwards.
- A partner who has used their paternity leave can take neonatal care leave once their baby has spent seven days in neonatal care.

The timing and sequencing can vary depending on family needs and clinical circumstances.

EMPLOYER RESPONSIBILITIES

Employers must:

- Allow eligible employees to take neonatal care leave.
- Pay statutory neonatal care pay where the employee qualifies.
- Maintain terms and conditions (other than pay) during neonatal care leave.
- Ensure employees can return to the same or a suitable alternative role.
- Accept neonatal leave requests promptly – employees do not need to provide lengthy notice as the law recognises neonatal care is often unexpected.
- Ensure any employee who requests or takes neonatal care leave is not subject to discrimination, harassment, or any form of detriment.



WHY THIS MATTERS FOR EQUALITY

Parents whose babies require neonatal care often face heightened stress, trauma, and financial insecurity. Women are more likely to take on the majority of care and may be more significantly affected by reduced income, interrupted work patterns, and long-term impacts on progression.

Neonatal admissions can also create longer-term impacts on parents' mental health, confidence, and ability to return to work. A supportive approach helps prevent these experiences from becoming career-limiting, particularly for women who already face structural barriers to progression. Creating space for parents to balance work and neonatal care reinforces a culture where staff feel trusted and understood, which strengthens retention and reduces the risk of parents – especially mothers – being pushed out of the labour market.

A supportive approach helps:

- Reduce gender inequality linked to pregnancy and parental leave
- Improve staff wellbeing and retention
- Build a fair and inclusive workplace culture
- Prevent discrimination risk and grievances arising from poor handling of leave

BEST PRACTICE FOR SMES

Small businesses can take simple, practical steps to support employees:

1. Go beyond the statutory minimum

Enhanced provisions can significantly improve staff wellbeing and retention, for example, paying full salary instead of the statutory rate, offering neonatal care leave to employees with less than 26 weeks' service, or allowing more flexible arrangements for taking leave.

2. Have a clear neonatal care leave policy

Outline eligibility, pay, notice, and how employees can request leave. Keep your approach supportive and flexible.

3. Be responsive and compassionate

Neonatal admissions are usually unplanned and highly distressing. A swift, empathetic response makes a significant difference.



4. Maintain regular, sensitive communication

Agree a communication plan with the employee that meets their needs and respects their circumstances.

5. Offer flexible working during and after the neonatal period

Employees may need changes to hours, working patterns, or duties as their baby transitions out of care.

6. Support partners as well as birth parents

Partners may also experience trauma and need to balance work, caring responsibilities, and medical appointments.

7. Train managers

Ensure managers understand the new legal rights and how to handle conversations sensitively and consistently.



Close the Gap works in Scotland on women's labour market participation. We work with policymakers, employers and unions to influence and enable action that will address the causes of women's inequality at work.

Close the Gap
166 Buchanan Street
Glasgow
G1 2LW
0141 572 4730
info@closethegap.org.uk
www.closethegap.org.uk

 closethegap.org.uk

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