

Government Pauses Expansion of Paid Sick Leave in Ireland for 2025

The Irish government has announced a postponement in the planned increase of statutory paid sick leave days for 2025. Initially, the Sick Leave Act 2022 outlined a phased approach to enhance workers' entitlements, starting with three days in 2023, increasing to five days in 2024, seven days in 2025, and reaching ten days by 2026. However, the scheduled extension to seven days in 2025 has been deferred due to an ongoing review.

Reason for the Pause

The decision to delay the increase stems from concerns about the financial impact on businesses, particularly small and medium-sized enterprises (SMEs). The government is conducting a comprehensive review to assess the economic implications and to ensure that the sick leave scheme remains sustainable for both employers and employees.

Impact on Employers

For employers, especially those operating within tight margins, the postponement offers temporary relief from the additional costs associated with extended sick leave entitlements. Businesses had anticipated the increase to seven days in 2025, which would have required adjustments in budgeting and workforce management. The pause allows more time for companies to prepare for future changes and engage in consultations regarding the implementation of the full ten-day entitlement by 2026.

Impact on Employees

Employees, on the other hand, may view the delay as a setback in the progression of workers' rights. The phased increase in paid sick leave was designed to provide greater security for workers needing time off due to illness. With the postponement, employees will continue to be entitled to five days of paid sick leave annually, as was established in 2024. This may lead to concerns among the workforce about adequate support during health-related absences.

Future Outlook

The government has indicated that the review is aimed at balancing the needs of both employers and employees. While no new timeline has been provided for the increase to seven days, officials have reaffirmed their commitment to the original goal of ten days of paid sick leave by 2026. Stakeholders are encouraged to participate in the ongoing consultations to shape a policy that supports economic stability and the well-being of the workforce.

As the situation develops, both employers and employees are advised to stay informed about legislative changes and to engage in dialogue to address concerns arising from this postponement.

Adare will update you on any further information when the government releases an update. Irish employment law has been changing rapidly in recent years and it can be very challenging for businesses to stay on top of their compliance.

If you are interested in getting support from our experts at Adare, please contact us at 01 561 3594 or email info@adarehrm.ie.