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Make Work Pay: Consultation on employment rights for unpaid carers and parents of seriously ill children

The Pensions Policy Institute (PPI) is the UK's leading independent authority on pensions and retirement policy. We conduct rigorous, impartial, evidence-based research that shapes better retirement outcomes.

Over the years, especially through our Underpensioned series of reports, we have identified unpaid carers as an underpensioned group. Our latest 2024 Edition¹ of the Underpensioned Index revealed that carers only have 80% of the private pension income of the population average. By way of explanation, it also showed how unpaid carers' employment rates have decreased by around 6% since 2022, to just 61%. Where unpaid carers are also in paid work, they are likely to be lower paid or working fewer hours, as the mean annual income of carers is £34,450 compared to a population average of £40,450.

We know that unpaid carer is a heavily gendered activity, with 59% of carers being female, and more than 10% of women in England and Wales undertaking some form of unpaid care work.² Returning to our Underpensioned Index, we see that women have only 67% of the private pension income of the population average, and a decreasing employment rate that is currently 72%.

Overall, it is clear that the impact of unpaid care work is heavily felt by women, and that it has a negative impact on their ability to save for their retirement. Being able to maintain some level of paid work alongside unpaid care work would support carer's financial futures and one way of doing that is to provide paid carers leave (to your question 27). As an employer, we provide two days paid carers leave a year to all employees, at full pay and without any evidence (to your questions 28 and 30).

We encourage you to consider the long-term importance of providing paid carer's leave, as this may support carers to remain in paid work, and increase their pension savings.

Kind regards



Dr Suzy Morrissey
Deputy Director, PPI

¹ PPI (2025) [The Underpensioned Index, 2024 Edition](#)

² Carers UK (2025). [Key facts and figures about caring](#)