

HR NEWSFLASH: Employment Rights Act 2025 – Key Implementation Timeline

The Employment Rights Bill was given Royal Assent on 18th December 2025 – it is now the Employment Rights Act 2025 and is **law**.

It brings a wide range of reforms to UK employment rights, which will affect **every UK business**. Not all changes will take effect immediately; the changes will be implemented in phases throughout 2026 and 2027, with several areas still subject to consultation and secondary legislation before coming into force.

Proposed Date	Timeline	→ = Action Points
<u>December 2025</u> (immediately on receiving Royal Assent)	Strikes (Minimum Service Levels) Act 2023 was repealed <ul style="list-style-type: none"> The Act, which was designed to ensure minimum levels of service during a strike in certain sectors, is no longer in force. Minimum service level requirements during strikes were removed with immediate effect. 	
<u>18 February 2026</u>	Increased dismissal protection for industrial action <ul style="list-style-type: none"> Removal of the 12-week cap on protection from dismissal during industrial action; dismissal for taking part in lawful action becomes automatically unfair at any time. Trade Union Law reforms <ul style="list-style-type: none"> Reduction in the amount of information needed in industrial action notices to employers. Notice period for industrial action reduced from 14 to 10 days. Ballots only require a simple majority of those voting to approve industrial action. Removal of picket supervisor rules. Industrial action mandates valid for 12 months, instead of 6 months. Changes to political fund rules. 	
<u>April 2026</u>	National Minimum Wage rates increase <ul style="list-style-type: none"> Age 21+ increase to £12.71 per hour (from £12.21) Age 18-20 increase to £10.85 per hour (from 10.00) Under 18 increase to £8.00 per hour (from £7.55) Apprentice rate increase to £8.00 per hour (from £7.55) <p>→ This change means increased costs for employers. Ensure payroll software is up to date.</p> Real Living Wage (voluntary) rates for 2026 increase: <ul style="list-style-type: none"> £14.80 per hour in London. £13.45 per hour outside London. Statutory Family Leave Pay rates increase <ul style="list-style-type: none"> £194.32 or 90% of the employee's average weekly earnings, whichever is lower (for Statutory Maternity or Statutory Adoption pay, this rate follows 6-weeks at 90% of the employee's average weekly earnings). Statutory Sick Pay (SSP) reforms <ul style="list-style-type: none"> SSP weekly rate increases to £123.25 SSP to be paid from day one of sickness absence (removal of the 3-day waiting period). Removal of the Lower Earnings Limit eligibility requirement (all workers to be paid SSP at a rate of 80% of their weekly earnings or the flat rate, whichever is lower). 	

	<ul style="list-style-type: none"> ➔ More people will be entitled to sick pay, which means increased costs to businesses. ➔ Ensure payroll software is up to date and compliant. ➔ Train managers to understand the changes and manage sickness absence, ensure return-to-work meetings are consistently held after every period of absence, and that triggers for sickness absence reviews are continually monitored. <p>Statutory Paternity Leave and Parental Leave become a day one right</p> <ul style="list-style-type: none"> • Removal of the qualifying periods for taking paternity and parental leave, making it a day one right (for paternity leave this only applies to the leave element, not statutory pay). • Removal of the restriction on taking paternity leave after taking ordinary parental leave. ➔ With more people entitled to take these types of leave we may see an increase in the number of people who utilise this leave. <p>Fair Work Agency will be established</p> <p>A new single enforcement body that is designed to bring together functions currently exercised by various government enforcement teams into one unified approach. The agency will have powers to:</p> <ul style="list-style-type: none"> • Enforce payment of statutory payments. • Raise tribunal cases on behalf of employees without employee initiation. • Provide legal support, assistance or representation to workers where individuals have raised a claim themselves. • Impose penalties for underpaid holiday pay of up to 200% of the unpaid amount (capped at £20,000 per individual), and review records going back six years ➔ Ensure holiday entitlements are calculated correctly and properly documented ➔ Remaining compliant and proper housekeeping is essential. <p>Maximum Protective award increased - Collective Consultation</p> <p>The maximum award a tribunal can make when a business has failed to follow their obligations on collective consultation will increase from 90 days' pay to 180 days' pay per affected employee.</p> <p>Whistleblowing Protections for Sexual Harassment</p> <p>Sexual Harassment disclosures will be covered by whistleblowing law:</p> <ul style="list-style-type: none"> • Allegations that sexual harassment has or is likely to occur that are in the public interest will qualify as "protected disclosures". • Individuals making these disclosures will therefore receive whistleblowing protections against dismissal or detriment. <p>Trade Union Changes</p> <ul style="list-style-type: none"> • Trade union members will be allowed to vote electronically. • Simplified rules on how a trade union can gain recognition in a workplace. <p>Gender Pay Gap and Menopause Action Plans</p> <p>Employers will need to create action plans around gender pay gaps and menopause. While these will be voluntary from 6 April 2026, they will become mandatory sometime in 2027.</p>
<u>October 2026</u>	<p>Dismissal and re-engagement (Fire and rehire) practices limited</p> <ul style="list-style-type: none"> • "Fire and rehire" – where an employer dismisses and reengages an employee in order to push through changes to terms and conditions - will be an automatically

<p>(in many of these cases, how these changes will be implemented is subject to government consultations)</p>	<p>unfair dismissal where it relates to certain “restricted variations” unless justified by severe financial difficulty affecting (or likely to affect) business viability and the employer could not reasonably have avoided the need to make the change.</p> <ul style="list-style-type: none"> • A consultation is planned to decide what terms and conditions will be included as a “restricted variation”. <p>Sexual harassment</p> <ul style="list-style-type: none"> • Employers will be required to take “all reasonable steps” to prevent harassment (increased duty from the current “reasonable steps”). ➔ Review and update risk assessments, policies and any other related documentation. ➔ Training for all staff will be crucial. <p>Third Party Harassment</p> <ul style="list-style-type: none"> • Employers will be liable for third-party harassment (from a client, customer, member of the public etc). • Employers will need to be able to show what they have done to prevent harassment. ➔ Review and update risk assessments, policies and any other related documentation. ➔ Training for all staff will be crucial. <p>Employment Tribunal claim limitation period extended</p> <ul style="list-style-type: none"> • The time limit workers have to make a claim to an ET will increase to 6 months (from 3 months). ➔ Individuals will have longer to make a claim, which means more time to take legal advice on the strength of their case, so we are likely to see an increase in tribunal claims. ➔ Handling and resolving issues internally will be crucial to avoid ET claims. ➔ Exit interviews will be important. <p>Industrial Action – Increased Protections for Workers</p> <ul style="list-style-type: none"> • Increased protection for workers against being subjected to detriment for taking part in industrial action. <p>Trade Union Rules</p> <ul style="list-style-type: none"> • Duty to Inform - Employers will have a duty to provide a statement to inform their employees of their right to join a trade union. It must be done in writing upon commencement of employment with reminders at a frequency to be confirmed. • Updated rules on a trade union’s right of access to the workplace. • New right to reasonable accommodation and facilities for trade union representatives carrying out their duties and to time off for union equality representatives to carry out their duties. <p>Enhancement of Tipping rules under the Employment (Allocation of Tips) Act 2023</p> <ul style="list-style-type: none"> • Affected employers must consult with employees on the fair allocation of tips in their business and renew tips policies every 3 years. ➔ Watch out for this if you are in an industry where tipping is commonplace.
<p>December 2026</p>	<p>Mandatory seafarer’s charter</p> <ul style="list-style-type: none"> • Sector specific legislation will come into force (changes are specific to the seafarer industry).

<u>1st January 2027</u>	<p>Unfair Dismissal qualifying service period reduced</p> <ul style="list-style-type: none"> The qualifying service period for unfair dismissal will reduce to 6 months (currently 2 years). The change will apply retrospectively: Employees with 6 months' service or more by that date will be able to make a claim; those starting on or before 1 July 2026 are highlighted as coming into scope. Important to note that some dismissals remain automatically unfair from day one. The compensation cap for tribunal awards (currently 52 weeks' pay or £118,233 whichever is lower) will be removed. <p>➔ This is a major change that will increase the number of claims being made to the Employment Tribunal. Employers must review and strengthen recruitment, probation and performance practices and procedures.</p> <p>➔ Ensure those on fixed term contracts are given the appropriate notice of their contract ending, according to their contractual and/or statutory notice as applicable.</p>
Wider 2027 (most of these changes are the subject of public consultations and secondary legislation)	<p>Bereavement Leave</p> <p>A new right to bereavement leave will apply from day one of employment. The right to bereavement leave will cover a wider set of circumstances, including following pregnancy loss before 24 weeks.</p> <p>Enhanced protection from dismissal whilst pregnant, on maternity and within six months of returning to work</p> <ul style="list-style-type: none"> Currently, pregnant women and new mothers are protected from discrimination and dismissal linked to pregnancy or maternity leave and have enhanced rights in redundancy situations. This provision increases protection by extending to cover other dismissals which are not redundancies taking place during pregnancy and other types of family leave, or following a return to work from family leave. <p>Zero hours, shift workers and agency staff - additional protections</p> <ul style="list-style-type: none"> Those working on zero hour or low hours (including agency workers) contracts who have been working regular hours over a set reference period will have the right to be offered a contract with guaranteed hours reflecting their typical hours of work (exception is seasonal or temporary work). Workers will be able to remain on the zero-hour contract if they wish. They will be entitled to reasonable notice of scheduled shifts and changes to their shifts. They will be entitled to compensation for cancelled, rescheduled or reduced shifts. Agency workers will receive the same protections as directly engaged zero hours or low hours workers, including rights to guaranteed hours. There will be consultation to determine the details, which will then be set out in secondary regulations. <p>➔ Audit how these arrangements are currently used in your business ahead of this change.</p> <p>➔ Keep an eye on the outcome of the upcoming consultation to determine the reference periods and other parameters.</p> <p>Flexible Working</p> <p>Flexible working will be made the default unless the employer can show it is unreasonable. The employer will need to explain why they believe it is reasonable to refuse the request.</p>

	<p>Collective Redundancy Procedures Currently collective redundancy consultation is triggered when an employer is proposing to dismiss 20 or more employees at one establishment within a rolling 90-day period. Under the new Act, the site-specific test remains but a second trigger will be introduced based on redundancies across the employer's entire business regardless of location.</p> <p>Gender Pay Gap and Menopause Action Plans It will become mandatory for employers to create action plans around menopause and gender pay gaps (as mentioned above, this will be voluntary from 6 April 2026).</p> <p>Regulation of Umbrella Companies The definition of agencies will be expanded to include "umbrella companies", which will allow enforcement by the relevant bodies.</p>
--	---

Final Takeaways

While there are a lot of changes coming, the phased implementation approach gives employers time to prepare.

What you need to do

Track which rights apply to you and keep up to date with these. The information detailed above is correct at time of writing, however many of the changes are still subject to consultation and secondary legislation so details may change. Speak to your HR consultant about the changes that you feel will affect you most.

Need support?

We are holding an employment law webinar on **3rd March 2026** which will cover the upcoming changes and what you can do to make sure you're ready for them.

To book your place on the webinar, please follow the link in the email containing this Newsflash.

If you'd like to discuss the changes sooner, please don't hesitate to get in touch with your HR Consultant at Alive HR. You can also email enquiries@alivehr.co.uk or call our main line on 01935 411191.