

## **Employment Rights Act 2025 - What Employers Need to Know**

The UK's most significant employment law reforms in a generation are now underway. The Employment Rights Act 2025 received Royal Assent on 18 December 2025, with changes being introduced in phases throughout 2026 and 2027.

### **What is the Employment Rights Act 2025?**

The Act delivers wide-ranging reforms designed to strengthen employment protections, increase trade union rights, and improve enforcement. While not all measures are in force yet, employers should begin preparing now.

Time limits for tribunal claims together the removal of caps on unfair dismissal and compensation have significant implications for employers. It will become increasingly important make the right hiring decisions and manage performance as termination of employment becomes increasingly difficult.

### **What employers should do now:**

- Review and update employee handbooks including absence, family leave, redundancy and disciplinary policies
- Review and update employment contracts

- Plan for day-one SSP cost implications
- Review recruitment policy and practices
- Train/refresh managers on recruitment and selection, fair dismissal processes, including managing performance and harassment prevention

## Key Changes and Timeline

### DECEMBER 2025 - ALREADY IN FORCE

- Repeal of the Strikes (Minimum Service Levels) Act 2023
- Roll-back of key restrictions under the Trade Union Act 2016

### FEBRUARY 2026

Industrial action & trade union reforms:

- Dismissal for taking industrial action becomes automatically unfair
- Reduced strike ballot notice period (10 days)
- Strike ballots require a simple majority
- Removal of the picket supervisor requirement
- Industrial action mandates extended to 12 months

### APRIL 2026

Worker rights, pay and enforcement:



- Day-one rights to paternity leave and unpaid parental leave
- Statutory Sick Pay paid from day one with no lower earnings limit
- Collective redundancy protective awards doubled (up to 180 days' pay)
- Stronger whistleblowing protections, including sexual harassment disclosures
- Creation of the Fair Work Agency
- Simplified trade union recognition and electronic voting
- Gender pay gap and menopause action plans introduced on a voluntary basis

## OCTOBER 2026

Fairness, harassment and tribunal reforms:

- Fire and rehire practices banned in most circumstances
- Employers must take “all reasonable steps” to prevent sexual and third-party harassment which will require risk assessments.
- Employment tribunal claim time-limits increased from 3 to 6 months giving employees longer to file claims.
- New tipping rules requiring worker consultation
- Further expansion of trade union rights

## FROM 2027 (DATES TBC)

- Unfair dismissal qualifying period reduced from 2 years to 6 months (expected Jan 1<sup>st</sup>)



- Removal of the cap (currently no more than 52 weeks salary) on unfair dismissal compensation awards (expected Jan 1<sup>st</sup>)
- Mandatory gender pay gap and menopause action plans
- Enhanced pregnancy and maternity dismissal protections
- Expanded collective redundancy consultation requirements
- Regulation of umbrella companies

### Next steps:

If you would like support getting ready for the new legislation, please contact us. We can assist reviewing handbooks and employment contracts, giving advice on understanding how these changes apply to your organisation and training.

We offer fixed fee pricing for handbooks and employment contracts together with bespoke training packages that include short e-learning courses, half day and full day interactive instructor led courses.

Contact us now: [info@altogetherhr.com](mailto:info@altogetherhr.com) or visit our website:

[www.altogetherhr.com](http://www.altogetherhr.com)