



Human Resources



Do you employ staff?

Employment Law Update - April 2025

Compensation Limits

The following increases to employment tribunal compensation limits have recently been confirmed and took effect from 6 April 2025:

- Limit on Guaranteed Payment increased from £38 to £39.
- Limit on a week's pay for calculating a statutory redundancy payment and unfair dismissal basic award increased from £700 to £719.
- Maximum basic award for unfair dismissal and statutory redundancy payment increased from £21,000 to £21,570.
- Minimum basic award for dismissal on trade union, health and safety, occupational pension scheme trustee, employee representative and on working time grounds increased from £8,533 to £8,763.
- Maximum award for unlawful inducement relating to trade union membership or group activities, or collective bargaining increased from £5584 to £5735.
- Maximum compensatory award for unfair dismissal — subject to a maximum cap of a year's pay increased from £115,115 to £118,223.
- Minimum compensation for employees excluded/expelled from trade union increased from £13,032 to £13,384.
- Maximum compensatory award for failure to allocate and pay tips fairly, for failure to have a written policy on dealing with qualifying tips, gratuities and service charges, or failure to create a record of how they have been dealt with increased from £5000 to £5135.
- Claims (if a claim for breach of contract e.g., wrongful dismissal) is raised in an employment tribunal remains at £25,000.

A Summary of the forthcoming Employment Rights Bill

You will no doubt be receiving updates about the forthcoming Employment Rights Bill which is currently progressing through Parliament. Nothing you will have read or heard about has been introduced yet. It is expected that some elements of the new legislation will be introduced in October 2025, with other elements coming into force during 2026. No specific implementation dates have been announced yet, but we will keep you updated as we know more. For now, here is a reminder of the proposed changes below:

Proposals

- **Day-One Rights:** The qualifying period for claiming basic rights like unfair dismissal and parental leave will be removed so they become day-one rights.
- **Probationary Periods:** A statutory probationary period will be introduced.
- **Strengthening of Rights:** Employees will be given more protection from dismissal whilst pregnant, on maternity leave and within six months of returning to work.
- **Tribunal Claims:** The time limit for bring a tribunal claim will be extended from three months to six months.

- **Day-One Rights:** The qualifying period for claiming basic rights like unfair dismissal and parental leave will be removed so they become day-one rights.
- **Sick Pay:** Sick pay will be paid from the first day of absence for all workers at a rate of either 80% of their weekly earnings, or the flat rate, whichever is lower.
- **Zero Hours Contracts:** Workers (including agency workers) who undertake regular hours over a defined period will gain a right to a regular contract to reflect the hours worked; all workers will be entitled to reasonable notice of a change in shifts or working time, and recompense for cancelled shifts.
- **Tackling Harassment:** Employers will be required to take all reasonable steps to stop sexual harassment before it starts and will be liable for third-party harassment.
- **Flexible Working:** Flexible working will be the default from day one for all workers and employers will be required to explain why their refusal of a request was reasonable.
- **Bereavement Leave:** The introduction of a new extended right to bereavement leave which will include miscarriages before the 24th week of pregnancy.
- **Fire and Rehire:** Fire and re-hire (Dismissing and Re-engaging) practices will be deemed automatically unfair dismissal, except where a business is in serious financial trouble affecting its continuation and the employer could not reasonably have avoided the need to make the change.
- **Redundancy:** The circumstances where collective redundancy procedures will be required will be expanded.
- **Strengthening of Trade Union Laws:** Trade union rights will be strengthened to include access to workplaces, recognition, balloting and industrial action. Protections for trade union representatives will also be strengthened and a new duty will be placed on employers to inform their workforce of the right to join a union, alongside their written contract.
- **Equality:** Large employers will be required to create and maintain action plans on addressing their gender pay gap and menopause.
- **Enforcement:** A Fair Work Agency will be established to bring together different government enforcement bodies. The FWA will have the powers to enforce payment of statutory payments, bring employment tribunal claims on behalf of individuals, and provide legal assistance, support, or representation where individuals have raised a claim themselves.

The following are not included in the Employment Rights Bill but will be progressed by the Government in separate legislation or by non-legislative means:

- the right to disconnect
- supporting workers with a terminal illness through the Dying to Work Charter
- modernising health and safety guidance
- enacting the socioeconomic duty
- developing menopause guidance for employers and guidance on health and wellbeing
- extending pay gap reporting to ethnicity and disability for employers with more than 250 staff and measures on equal pay
- extending equal pay rights to protect workers suffering discrimination on the basis of race or disability
- ensuring that outsourcing of services can no longer be used by employers to avoid paying equal pay
- implementing a regulatory and enforcement unit for equal pay with involvement from trade unions
- ensuring the Public Sector Equality Duty provisions cover all parties exercising public functions.

The following form part of the Government's longer-term vision:

- parental leave review
- carer's leave review
- surveillance technologies and negotiations with trade unions and staff representatives
- single "worker" status
- strengthen protections for the self-employed through a right to written contract, extending blacklisting protections and extending health and safety protections
- review of Transfer of Undertakings (Protection of Employment) (TUPE)
- review health and safety guidance and regulations
- raising collective grievances.

How can we Help?

If you have any queries relating to the content of this newsletter, or any other HR related topic, please don't hesitate to contact us via hradvice@hasslefreehr.co.uk.

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