



Human Resources



Do you employ staff?

Employment Law Update - January 2026

In this newsletter we provide you with an update on the Employment Rights Act (ERA) 2025. The UK Government's plan to '[Make Work Pay](#)' will change many aspects of employment law. Most of these changes will be delivered via the Employment Rights Act (ERA 2025) and some other changes will be introduced via the Equality (Race and Disability) Bill which is currently being discussed within Parliament.

Employment Rights Act 2025

On 18th December 2025 the long-awaited Employment Rights Bill was passed by parliament and therefore became a new employment Act – The Employment Rights Act 2025. The Act impacts upon many areas of employment law, including trade union rights, sick pay, paternity and parental leave rights, collective consultation requirements during redundancy, whistleblowing legislation, fire and rehire practices (dismissal and reengagement), timescales for submitting employment tribunal claims, managing sexual harassment and third party harassment in the workplace, 'tipping' practices, unfair dismissal qualifying period, zero-hours and low-hours contracts, flexible working rights, gender pay gap and menopause management, pregnant worker rights, and various bereavement leave rights. It has been confirmed that the provisions of the Act will be introduced in stages, over the course of the next two years, although this may be subject to change.

Trade Union Rights

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
6 January 2026	<ul style="list-style-type: none"> From this date the 'Strikes (Minimum Service Levels) Act 2023 was repealed, along with the majority of the Trade Union Act 2016.
18 February 2026	<ul style="list-style-type: none"> Protections against dismissal for taking industrial action will be strengthened. The '10 year ballot requirement' for trade union political funds will be removed so there will no opt-in requirement. Industrial action notices and industrial action ballot notices will be simplified.

April 2026	<ul style="list-style-type: none"> • The trade union recognition process will be simplified. • Electronic and workplace balloting will be introduced.
October 2026	<ul style="list-style-type: none"> • A new duty to inform workers of their right to join a trade union will be introduced. • Trade Union's 'right of access' will be strengthened. • New rights and protections for trade union representatives will be introduced. • Protections against 'detriments' for taking industrial action will be extended.
2027	<ul style="list-style-type: none"> • Measures to address the malpractice of 'blocklisting/blacklisting' where the names of individuals involved in trade union activities are compiled and then used in a discriminatory manner, will be introduced. Blacklisting is unlawful, under the Employment Relations Act 1999 (Blacklists) Regulations 2010.

To prepare for these changes, we advise that irrespective of whether your organisation is unionised or non-unionised, it would be wise to consider what internal mechanisms you have to give employees a voice and to enable employees to be heard, and to consider how these can either be introduced, or improved upon.

Sick Pay

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
6 April 2026	<ul style="list-style-type: none"> • Statutory Sick Pay (SSP) will become payable from day one of a sickness absence, rather than from day four. • The Lower Earnings Limit (LEL) requirement will be removed from SSP eligibility, so all employees, regardless of earnings, will be entitled to receive SSP. • Employees will be paid SSP at the rate of 80% of their normal weekly earnings, or the flat rate, whichever is the lower.

In preparation for these changes, it is advised to update your absence management policies and procedures, to communicate these (and your expectations) to all managers and employees, and to ensure that all absence monitoring and record keeping, and your return to work processes are as tight as possible to help keep employee absence (and associated costs) to a minimum.

Paternity and Ordinary Parental Leave Rights

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
6 April 2026	<ul style="list-style-type: none"> • The right to take paternity and ordinary parental leave will become a day one right, due to the removal of the current 26 weeks' qualifying service requirement.

In preparation for these changes, it is advised to update your relevant policies and procedures and to communicate these changes to all managers and employees.

Collective Consultations during Redundancy

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
6 April 2026	<ul style="list-style-type: none"> From this date the maximum period of the 'collective redundancy protective award' will be doubled from the current 90 days to 180 days. This means that where an employer fails to collectively consult, when making 20 or more redundancies, they may be liable to pay employee compensation of up to 180 days' pay (plus a potential 25% uplift) per employee.
2027	<ul style="list-style-type: none"> During 2027 a new 'threshold test' will be introduced where employers propose 20 or more redundancies at one entity or a certain number/percentage across the employing entity, which will determine collective consultation obligations.

In preparation for this change, it is advised to update your redundancy management policies and procedures (if applicable), to communicate these changes to managers and employees and to be prepared to count all planned redundancies across all organisation sites, to establish if the 'threshold test' triggers consultation obligations for collective redundancies.

Whistleblowing

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
April 2026	<ul style="list-style-type: none"> From April 2026 sexual harassment in the workplace will be added to the list of 'protected disclosures' under current whistleblowing legislation. Under this change, where the disclosure adheres to the requirements of a 'protected disclosure' (in the public interest etc.) then the employee disclosure is protected from detriment, including dismissal where it is related to the disclosure. The employee has the right to submit a claim against an employer for such detriment or dismissal.

In preparation for this change, it is advised to update your whistleblowing policy, your bullying and harassment policy and your grievance policy and to communicate these changes to all managers and employees. It may also be advisable to train managers so that they fully understand how to respond to such complaints/disclosures in a legally compliant way.

Fair Work Agency (FWA)

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
April 2026	<ul style="list-style-type: none"> From April 2026, the Fair Work Agency (FWA), a new enforcement body will be introduced. The FWA will aim to be a single place where employees can seek help and support. It's formation will combine the Employment Agency Standards Inspectorate, the Gangmasters and Labour Abuse Authority and the HMRC's National Living and Minimum Wage, in a single enforcement body to take on the enforcement of a wider range of employment rights. Proposed powers for the FWA include: <ul style="list-style-type: none"> Extended enforcement powers for matters associated with Statutory Sick Pay (SSP) and some elements of holiday pay. Offering support to employers who want to comply with employment law. Allowing the FWA to submit employment tribunal claims on behalf of workers (where the worker is not going to submit a claim).

- Permitting the FWA to offer legal assistance where needed (with the cost recoverable from non-compliant employers).
- Allowing the FWA to pursue up to six years of underpayments (such as sick pay and holiday pay) for employees, with additional financial penalties on employers to be paid to government.

In preparation for this change, it is advised to read the Chartered Institute of Personnel and Development's (CIPD's) [report](#) on what a new approach to labour market enforcement may look like, and also the Government's [factsheet](#) which provides more information on the Fair Work Agency.

Fire and Rehire (Dismissal and Reengagement)

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
1 October 2026	<ul style="list-style-type: none"> From 1 October 2026, the practice of varying an employee's contract terms by 'firing and rehiring' (dismissal and reengagement) will be restricted. Where an employee is dismissed for failing to agree to a variation in their contract terms of employment, the dismissal will be treated as automatically unfair, unless the employer can show evidence of financial difficulties and demonstrate that the need to make the change of contractual terms was unavoidable.

Governmental consultations are still ongoing in this area, so to prepare for these changes, it is important to keep up to date with these consultations and/or seek advice before considering such steps. In the meantime, a new Code of Practice on Dismissal and Reengagement remains in place until further notice. Non-compliance with the code could result in a 25% uplift in any financial award to employees, for certain tribunal claims where employers have unreasonably failed to comply with the Code.

Tribunal Timescales

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
1 October 2026	<ul style="list-style-type: none"> From 1 October 2026, the timescale for submit a claim to an employment tribunal will increase from three months to six months. This will impact upon claims such as unfair dismissal, discrimination etc.

In preparation for this change employers should be mindful of the extended timescale, when disputes arise initially and consider the processes which exist for resolving disputes informally. Consideration also needs to be given to retention periods for records associated with managing employee disputes, which will increase in some cases.

Managing Sexual and Third-Party Harassment in the Workplace

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
1 October 2026	<ul style="list-style-type: none"> From 1 October 2026, there will be a requirement for employers to take all reasonable steps to prevent sexual harassment and third-party harassment (i.e., from a client, or supplier etc.) in the workplace or during the course of employment.

2027	<ul style="list-style-type: none"> • In 2027 associated regulations will specify the steps which will be regarded as 'reasonable' to determine whether an employer has taken 'all reasonable steps' to prevent sexual harassment specifically. • Associated legislation is the Worker Protection (Amendment of Equality Act 2010) Act 2023.
------	---

To prepare for this change, all associated policies and procedures will need to be updated. Risk assessments should be undertaken, to identify areas or situations where sexual harassment and third-party harassment may occur and measures should be put in place to prevent it. Updated policies, procedures and risk assessments should then be communicated to managers and employees.

Tipping

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
October 2026	<ul style="list-style-type: none"> • From October 2026, it will be mandatory for employers to consult with their employees when developing tipping policies. Consultation must involve recognised trade unions, or other elected representatives, where relevant. In addition, an anonymised summary of all views expressed during consultation will need to be shared with all workers and employers will also need to review their Tipping policy every three years. • Workers will be able to submit an employment tribunal claim, where employers fail to properly consult and the tribunal will be able to award up to £5000 for a worker's financial loss due to the employer's failure.

To prepare for this change, employers should review and update their tipping policy, and consult with employees about proposed changes, and communicate revised policies to managers and employees. Further advice about the consultation requirements should be sought, if necessary.

Unfair Dismissal

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
1 July 2026	<ul style="list-style-type: none"> • See below for steps you need to take from 1 July 2026.
January 2027	<ul style="list-style-type: none"> • In January 2027, the two year qualifying period, which employees must have, to submit a claim for unfair dismissal, will be replaced by a six month qualifying period. • This means that from January 2027, employees who have six months service or more, will be able to submit a claim for unfair dismissal. • This will therefore apply to any employee who is employed on, or before, 1 July 2026.

In preparation for this change, employers should, from 1 July 2026 onwards:

- Review and tighten upon the management of recruitment, induction and probationary period processes undertaken from 1 July 2026 onwards.
- Introduce clear, structured, probationary periods and associated review mechanisms for probationary periods which commence from 1 July 2026 onwards.
- Update Probationary Period clauses in Contracts of Employment issued from 1 July 2026 onwards.

- Review Performance Management processes and update where necessary.

Guaranteed Hours for Zero-Hours (and 'low-hours) Contracts

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
2027	<ul style="list-style-type: none"> • From 2027, zero-hours (and low-hours) workers will be given a right to a guaranteed hours contract, which reflects the hours they regularly work during a specific reference period, which is likely to be a 12 week reference period. • The specific reference period will be set out in future regulations. • Qualifying agency workers will also be considered in this change.

In preparation for this change, employers who regularly use zero-hours (and/or low-hours) workers, and agency workers, should review how many workers are on such contracts, consider if this practice is the most suitable practice for their organisation, and review and improve on (if necessary) practices to monitor working hours within any confirmed specific reference period.

Flexible Working

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
2027	<ul style="list-style-type: none"> • From 2027, rights relating to flexible working will be strengthened. A refusal of a flexible working request must be 'reasonable' and justified (evidential). The eight business reasons (for refusal) will remain the same. These are extra costs that will damage the business, inability to reorganise work among other staff, inability to recruit others to do the work, a negative impact upon quality, a negative impact upon performance, inability to meet customer demands, a lack of work during proposed working times and changes being planned for the organisation. A governmental consultation in this area is ongoing.

To prepare for this change, employers should review and update their Flexible Working policies and procedures, communicate these to managers and employees and give consideration to the types of flexible working that could work within their organisation.

Gender Pay Gap and Menopause Management

In this section we outline what is changing and when, and also advise on what you can do in preparation.

When	What is Changing
April 2026	<ul style="list-style-type: none"> • From April 2026 'voluntary reporting' (publication) of overall gender pay gap and menopause action plans will be required for organisations employing 250 or more employees (including outsourced individuals). • Gender pay gap reporting is required by law already for many organisations, but this change will require action plans to also be publicised. These action plans should explain the steps the organisation is taking to reduce the gap, with targets and timelines. • Reporting about menopause is a new requirement and a menopause action plan will include the steps the employer is taking to support employees going through menopause.
2027	<ul style="list-style-type: none"> • Mandatory publication will be required from 2027 (specific date to be confirmed).

In preparation for this change, relevant employers should review and update existing policies and procedures, produce action plans in advance and give consideration to how all relevant information will be captured and monitored, and communicate these to managers and employees.

Rights for Pregnant Workers

In this section we outline what is changing and when, and also advise on what you can do in preparation. Governmental consultation in this area has only recently closed (15 January 2026) and more information will be available in due course.

When	What is Changing
2027	<ul style="list-style-type: none"> From 2027 it will be unlawful to dismiss a woman while she is pregnant, on maternity leave and within six months of her returning to work (with some exceptions).

In preparation for this change, and when further details are available, employers should update their Maternity and Redundancy Management policies and procedures, communicate these to managers and employees and factor in these changes when managing any future change programmes.

Bereavement Leave

In this section we outline what is changing and when, and also advise on what you can do in preparation. Governmental consultation in this area has only recently closed (15 January 2026) and more information will be available in due course.

When	What is Changing
	Bereaved Partner's Paternity Leave
6 April 2026	<ul style="list-style-type: none"> From 6 April 2026, 'Bereaved Partner's Paternity Leave' will give employed, bereaved fathers and partners, a day-one right to extended paternity leave in the first year of a child's life, if they are in the tragic circumstances of losing the child's mother, or primary adopter. This right will include same-sex partners, civic partners, and surrogacy/parental orders. This leave will be available for up to 52 weeks duration, ending on the child's first birthday and it can also be taken after shared parental leave.
	Bereavement Leave
2027	<ul style="list-style-type: none"> From 2027 a new day-one legal right will allow employees to take at least one week of bereavement leave. The detail of the relationship that the employee must have had is still to be confirmed.
	Bereavement Leave for Pregnancy Loss
2027	<ul style="list-style-type: none"> From 2027 the current statutory right to take parental bereavement leave will be extended to include parents who experience pregnancy loss before 24 weeks, including miscarriage, ectopic pregnancy, molar pregnancy, medical termination and unsuccessful IVF embryo transfer. This extended right will apply to all employees.

In preparation for these changes, employers may consider introducing a new bereavement policy, which links to existing family leave policies, where relevant, and these changes will then need communicating to managers and employees.

Equality (Race and Disability) Bill

Aside from the Employment Rights Act (ERA) 2025, there are other proposals planned, under the Equality (Race and Disability) Bill, which are currently being discussed in Parliament. These include:

Extending Equal Pay Rights

There is no confirmed date for this change, but the proposal is to extend the right to make equal pay claims to black, Asian and minority ethnic and disabled workers.

Ethnicity Pay Gap Reporting and Disability Pay Gap Reporting

There is no confirmed date for this change, but the proposal is to make it compulsory for employers with 250 or more employees to report on ethnicity and disability pay gaps.

How can we Help?

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

Information for this newsletter was sourced from cipd.co.uk and gov.uk

© 2025 Hassle Free HR Ltd