



Human Resources



Do you employ staff?

Employment Law Update - March 2026

In this employment law update, we include information about forthcoming legislative changes, which are due to take effect in April 2026.

Increases to Statutory Payments National Minimum Wage (NMW) and National Living Wage (NLW)

From 1 April 2026 the National Minimum Wage (NMW) rates will increase as follows:

- Apprentices under 19 or 19 and over 19, and in the first year of their apprenticeship, the NMW rate will increase from £7.55 per hour to £8.
- Apprentices 19 or over 19 and in their second year of apprenticeship onwards, the NMW rate will increase from £10 per hour to £12.71.
- Young Workers Rate aged 16 and 17, will increase from £7.55 per hour to £8.
- National Minimum Wage for Workers aged 18 to 20, will increase from £10 per hour to £10.85.
- National Living Wage (NLW) rate for workers aged 21 and over, the rate will increase from £12.21 per hour to £12.71.

Statutory Sick Pay (SSP)

- From 5 April 2026 Statutory Sick Pay will increase from £118.75 to £123.25 per week, or 80% of the employee's weekly earnings, whichever is lower and will be paid to all workers from the first day (not the fourth day) of an absence.
- The Lower Earnings Limit (LEL) will increase from £125 per week to £129.
- There will be transitional provisions for employees already in receipt of SSP on 6 April 2026 which will mean they are entitled to continue to receive SSP at the higher rate of £123.25 to ensure that they are not made worse off by the changes introduced by the Employment Rights Act (ERA) 2025. Any linked Period of Incapacity for Work which attracts SSP will be paid based on the new rates (the lower of £123.25 or 80% average weekly earnings).

Family Friendly Payments

From 6 April 2026 Family Friendly Payments i.e., Statutory Maternity Pay (SMP), Statutory Adoption Pay (SAP), Statutory Shared Parental Pay (ShPP), Statutory Paternity Pay (SPP), and Statutory Parental Bereavement Pay (SPBP) will increase from £187.18 to £194.32 per week. Statutory Neonatal Care Pay (SNCP) will also be paid at the rate of £194.32 per week.

Paternity and Ordinary Parental Leave Rights

From 6 April 2026, under the Employment Rights Act (ERA) 2025, Paternity leave and Ordinary Parental Leave will become a right from day one of employment (removing the 26 weeks' service requirement for Paternity Leave and the one year service requirement for Ordinary Parental Leave).

Bereavement Leave

From 6 April 2026, under the Employment Rights Act (ERA) 2025, Bereaved partner's paternity leave will be introduced as a day one right (including for same-sex partners and civil partners, and extending to surrogacy/parental order situations). The leave gives 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 circumstance of losing the child's mother or primary adopter. The leave will be available for up to 52 weeks duration, ending on a child's first birthday. The leave can also be taken after shared parental leave in these circumstances.

Collective Consultation in Redundancy

The maximum period of the collective redundancy protective award will be doubled, so where employers fail to properly consult, the potential protective award rises from 90 days' to 180 days' pay.

Further Trade Union Changes under the Employment Rights Act 2025

From 6 April 2026, further trade union-related changes under the Employment Rights Act (ERA) 2025 will take place:

- the trade union recognition process will be simplified with the removal of the former 40% majority threshold required in recognition ballots. Unions will only need to demonstrate that 10% of the workers in the proposed bargaining unit are union members on applications for statutory recognition and recognition will be achieved if a simple majority vote in favour in a recognition ballot. Once a recognition application is accepted, employers must agree access arrangements with the union upon request, rather than after a ballot has been ordered.

Fair Work Agency (FWA)

From 7 April 2026, under the Employment Rights Act (ERA) 2025, the Fair Work Agency will be established. The aim of the agency is to offer a single place where workers and employees can seek help, and provide a mechanism by which certain employment rights can be enforced (outside of an employment tribunal). The FWA will combine the Employment Agency Standards Inspectorate, the Gangmasters and Labour Abuse Authority and HMRC's National Living and Minimum Wage in a single enforcement body to take on the enforcement of a wider range of employment rights. The FWA will bring together existing enforcement functions, including minimum wage and statutory sick pay enforcement; the employment tribunal penalty scheme; labour exploitation and modern slavery; employment agencies rules; and introduce the state enforcement of holiday pay for the first time. Proposed powers for the FWA include:

- Extended enforcement powers for the likes of Statutory Sick Pay (SSP) and some elements of holiday pay
- Offering support to employers who want to comply with the law
- Allowing the FWA to bring tribunal claims on behalf of workers (where the worker is not going to bring proceedings)
- To offer legal assistance where needed (with the costs recoverable from guilty employers)
- To pursue up to six years of underpayments of labour market costs (such as holiday pay and sick pay) for employees, with additional financial penalties on employers to be paid to government.

Whistleblowing

From April 2026, under the Employment Rights Act (ERA) 2025, sexual harassment in the workplace will be added to the list of protected disclosures under existing whistleblowing legislation. Under this change where the disclosure adheres to the requirements of a protected disclosure (in the public interest and so forth) then the individual is protected from detriment, including dismissal, relating to the disclosure. The individual could lodge a tribunal claim against an employer for such detriment or dismissal.

Gender Pay Gap Reporting

From 6 April 2026, under the Employment Rights Act (ERA) 2025, there will be a new requirement for employers with 250+ employees to voluntarily publish their gender equality action plans to address both the gender pay gap and menopause support within their organisations. Mandatory publication of these action plans will take effect in 2027. In addition to these action plans, future reforms will require employers to include outsourced individuals in gender pay gap reporting.

Compensation Limits

At this time of year, we normally advise on changes to compensation limits, i.e., the statutory redundancy rate and the unfair dismissal basic award, etc. however there will be further developments in this area, in line with the Employment Rights Act 2025, therefore for the time being, these rates will stay as they are. We will update you on the changes, in due course.

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 at hradvice@hasslefreehr.co.uk

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