

Human Resources



Do you employ staff?

Employment Law Update - April 2026

In this employment law update, we include information about recent legislative changes, which came into force in April 2026 and other associated updates.

Compensation Limits

From 6 April 2026, the following compensation limits were increased:

- Limit on Guaranteed Payment increased from £39 per day to £41 per day.
- Limit on a week's pay for calculating a statutory redundancy payment and unfair dismissal basic award increased from £719 to £751.
- Maximum basic award for unfair dismissal and statutory redundancy payment increased from £21,570 to £22,530.
- Minimum basic award for dismissal on trade union, health and safety, occupational pension scheme trustee, employee representative and on working time grounds increased from £8763 to £9157.
- Maximum award for unlawful inducement relating to trade union membership or group activities, or collective bargaining increased from £5735 to £5993.
- Maximum compensatory award for unfair dismissal — subject to a maximum cap of a year's pay increased from £118,223 to £123,543.
- Minimum compensation for employees excluded/expelled from trade union increased from £13,384 to £13,986.
- 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 £5135 to £5366.
- Claims (if a claim for breach of contract e.g., wrongful dismissal) is raised in an employment tribunal remains at £25,000.

Fair Work Agency

From 7 April 2026 the Fair Work Agency (FWA) came into force, which 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.

The FWA will have the powers to inspect workplaces, enter business premises, examine documents and evidence, require individuals to provide documents or information or attend interviews and answer questions.

The FWA will also have the powers to issue Notices of Underpayment for sick pay and holiday pay, as well as for the National Minimum Wage and bring employment tribunal claims on behalf of a worker and provide legal advice and assistance to the worker, as part of that process.

The Government's factsheet on the Fair Work Agency can be accessed [here](#):

Draft Code of Practice on the Right of Trade Unions to Access the Workplace

The Employment Rights Act 2025 contains provisions (due to come into force this October 2026) requiring employers to reach access agreements with Trade Unions to allow them to access the workplace (both physically and digitally).

On 12 April 2026, the UK Government issued a draft Code of Practice on the Right of Trade Unions to Access the Workplace. This Code of Practice will be the main source of practical guidance on this new statutory access framework.

The draft Code includes guidance on how access requests should be made, how access agreements should be negotiated and implemented across different types of workplaces, how and when an application may be referred to the CAC (Central Arbitration Committee) if negotiations on access terms are unsuccessful; and how the CAC will make decisions on whether access should take place, including the principles it must apply and the factors it will consider.

The draft Code is still currently subject to consultation, and the Government have launched a consultation, alongside the Code, inviting views from all interested parties to ensure the Code is clear, practical and balanced.

The draft Code of Practice can be accessed [here](#):

The ongoing consultation can be access [here](#):

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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