

## Employment Rights Act 2025 - At a Glance

The Employment Rights Act 2025 (ERA) introduces significant changes for employers, with measures expected to take effect in phases. This 'At a Glance' guide gives employers an overview of what's changing, the timings for implementation and general steps on how to prepare.

### WHAT ARE THE KEY CHANGES?

#### UNFAIR DISMISSAL

- 6 month qualifying period
- Review of compensation cap

#### TRADE UNIONS

- New trade union rights of access to workplaces
- Duty to inform workers of right to join a union
- Simplified industrial action and statutory recognition rules
- Rights and protections for trade unions representatives
- Sector specific changes

#### ZERO HOUR CONTRACTS

- Right to guaranteed hours offers
- Reasonable notice of shifts and compensation for short notice changes

#### FIRE & REHIRE

- Restrictions on dismissals for 'restricted variations' or to replace staff to carry out the same duties

#### NDA's, WHISTLEBLOWING & HARASSMENT

- Restrictions on NDAs covering harassment or discrimination
- Employer liability for third party harassment
- Strengthened duty to prevent sexual harassment
- Whistleblowing to include sexual harassment

#### FAMILY FRIENDLY RIGHTS

- Enhanced dismissal protections for pregnant women and new mothers
- Day one paternity and parental leave
- Unpaid bereavement leave (including pregnancy loss)

#### ENFORCEMENT

- Fair Work Agency established
- Extension of time limits to bring tribunal claims
- Requirement to keep annual leave records

#### FLEXIBLE WORKING

- Strengthening existing rules

#### COLLECTIVE REDUNDANCIES

- Protective awards doubled
- Additional new threshold test

#### STATUTORY SICK PAY

- Removal of waiting days and lower earnings limit with new rate for low earners

#### UMBRELLA COMPANIES

- To become regulated as employment businesses

#### GENDER PAY GAP REPORTING

- Equality action plans
- Regulations to require employers to identify contract workers

#### OTHER

- Rules to avoid a "two-tier workforce" for public sector outsourcing
- Tightening tipping laws

## WHAT IS THE IMPLEMENTATION TIMELINE?

Changes under the ERA are set to be staggered. Apart from some early trade union measures, other measures will need to be brought into force by regulations with implementation expected during 2026 and 2027. The Government also plans to consult further and will publish regulations, guidance and codes of practice to set out practical details and how the new duties will operate. While timings may remain subject to change, the current anticipated implementation timeline for key changes, based on the Government's implementation [roadmap](#) (modified to reflect developments), is set out below.

TIMING <sup>1</sup>	REFORMS <sup>2</sup>
18 December 2025	<ul style="list-style-type: none"> <li>• Repeal of Strikes (Minimum Service Levels) Act 2023</li> </ul>
6 January 2026	<ul style="list-style-type: none"> <li>• Repeal of the Workers (Predictable Terms and Conditions) Act 2023 (which has never been brought into force)</li> </ul>
18 February 2026	<ul style="list-style-type: none"> <li>• Trade union changes, including:               <ul style="list-style-type: none"> <li>◦ Repeal of the great majority of the Trade Union Act 2016 (some provisions will be repealed via orders later), including but not limited to removal of the support thresholds for industrial action ballots in important public services and simplifying industrial action notices and industrial action ballot notices</li> <li>◦ Strengthened protections against dismissal for taking industrial action</li> </ul> </li> </ul>
April 2026	<ul style="list-style-type: none"> <li>• Collective redundancy protective award being doubled (from 90 to 180 days' gross pay per employee)</li> <li>• 'Day 1' rights to paternity leave and parental leave</li> <li>• Whistleblowing protections will expressly include sexual harassment</li> <li>• Fair Work Agency established (although currently unclear if its enforcement powers will come into effect immediately)</li> <li>• Statutory Sick Pay – removal of the lower earnings limit and waiting period and new pay rate calculation for low earners</li> <li>• Trade union changes: simplification of the trade union recognition process and electronic and workplace balloting</li> <li>• Gender pay gap and menopause action plans on a <i>voluntary</i> basis (mandatory from 2027)</li> </ul>
October 2026	<ul style="list-style-type: none"> <li>• Measures to significantly reduce an employer's ability to fire and rehire or fire and replace</li> <li>• Duty to prevent sexual harassment – increasing to "<i>all reasonable steps</i>"</li> <li>• (Re-)introducing employer liability for third party harassment</li> <li>• Employment tribunal time limits increasing from 3 to 6 months</li> <li>• Trade union changes: duty to inform workers of their right to join a trade union; strengthening trade unions' right of access; new rights and protections for trade union representatives, and extending protections against detriments for taking industrial action (note the relevant detriment provisions come into force on 18 February 2026 but require regulations setting out the "<i>prescribed detriments</i>", which is anticipated later following consultation) (among other public sector specific changes)</li> <li>• Tightening of tipping law (including requirements for employers to consult on tipping policies)</li> <li>• Procurement – reinstatement and strengthening of 'two tier workforce code' in relation to outsourcing (public sector)</li> </ul>

<sup>1</sup> The Government has said that for most reforms it intends to use common commencement dates of 6 April and 1 October.

<sup>2</sup> This demonstrates key changes only, other sector specific changes (such as to seafarers, ships' crews and children working on heritage railways) are not included.

TIMING	REFORMS
<p><b>In 2027</b></p>	<ul style="list-style-type: none"> <li>• Unfair dismissal changes - reduction in qualifying period from 2 years to 6 months and removal of compensation cap (assuming changes come in together, currently anticipated 1 January 2027)</li> <li>• Gender pay gap and menopause action plans required for those subject to gender pay gap reporting rules (<i>mandatory</i>)</li> <li>• Enhanced dismissal protections for pregnant workers and new mothers, with potential extension to other types of leave</li> <li>• Introducing a power for the Government to specify steps that are to be regarded as “reasonable”, to determine if an employer has taken all reasonable steps to prevent sexual harassment</li> <li>• Trade union changes: strengthened blacklisting rules; industrial relations framework</li> <li>• Regulation of umbrella companies as employment businesses</li> <li>• New additional collective consultation threshold to trigger collective consultation obligations where a minimum number of employees is to be made redundant across a business (rather than just at one site)</li> <li>• Flexible working changes (increased requirement to justify any refusal and demonstrate reasonableness)</li> <li>• Bereavement leave (to provide protection for various types of bereavement, including pregnancy loss)</li> <li>• Restrictions on zero hours contracts and applying the measures to agency workers (employers and hirers required to make guaranteed hours offers, workers entitled to reasonable notice of shifts and compensation for short notice changes)</li> </ul>
<p><b>Unknown</b></p>	<ul style="list-style-type: none"> <li>• Requirements on employers to keep adequate records to demonstrate compliance with annual leave requirements</li> <li>• Restrictions making the term of any agreement between a worker and employer void if they try to stop a worker from making allegations or disclosures of harassment or discrimination</li> <li>• Potential changes to time off for public duties (subject to a review under ERA 2025)</li> </ul>

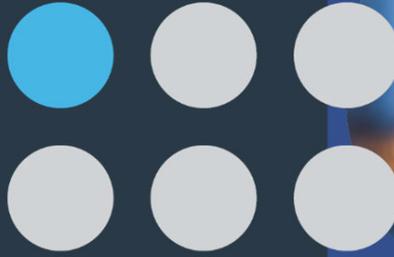
## HOW CAN EMPLOYERS PREPARE?

Employers will want to assign responsibility in the business to track developments and update stakeholders as details evolve. You can use our online [Reform Hub](#) and [sign up](#) to our newsletter for regular updates.

Although it may feel as though these changes can wait, acting now can mitigate against future operational and legal risk. Early preparation, such as training managers on effective use of probation periods, strengthening employee engagement practices and reviewing existing practices and processes will create stronger foundations and reduce the likelihood of issues arising when the new laws take effect.

Please note:

- This is a general resource and is not exhaustive and will be subject to change.
- We encourage early engagement and to seek advice before implementing major policy or practice changes.
- For tailored advice on preparing your business, please contact your usual Littler United Kingdom lawyer. Please reach out to [Client Training Partner Natasha Adom](#), who offers a full training programme.



To help prepare for the changes, employers may want to, in addition to tracking developments, consider the following steps and actions\*:

## STEPS

## ACTIONS

### Assess Impact on Recruitment, Resourcing and Organisational Change

- Ensure thorough recruitment and probation processes
- Review resourcing strategies, particularly reliance on flexible resource, consultants or agency workers
- Consider strategies around future planned organisational changes

### Audit and Update HR Policies and Procedures

- Review and update HR policies, procedures and working practices (e.g. probation, poor performance, flexible working, use of NDAs)
- Review and update template contracts
- Train staff, including managers, HR and payroll teams of new laws and processes

### Enhance Employee Relations Management

- If unionised, review industrial relations strategies and consider contingency planning
- If not unionised, consider likelihood of new request for access or recognition
- Consider if any improvements can be made to employee relations

### Budget and Update Payroll Practices and Employee Records

- Budget for increased costs (e.g. SSP, increased dismissal costs) and inform payroll of the changes
- Ensure employee records are up to date and accurate
- Establish new record keeping systems where necessary (e.g. for shifts, guaranteed hours offers, tracking redundancies across the business)

### Strengthen Inclusion, Equity and Diversity Practices

- Update risk assessments and take necessary steps to prepare for enhanced sexual harassment prevention duties and liability for third party harassment
- If subject to pay gap reporting, prepare equality action plans

### Review and Refresh Dismissal Processes

- Ensure staff are trained on new enhanced dismissal rights
- Review and strengthen internal dismissal processes
- Revise any settlement and litigation strategies

*\*examples provided are illustrative only and not exhaustive - organisations should consider what is appropriate for their business.*

## HOW LITTLER CAN HELP?

With a singular focus on labour and employment law, Littler provides legal strategies and solutions for employers of all sizes, everywhere.

We can help you to:

- Identify and evaluate the specific risks and implications of the ERA and related reforms for your business
- Address and prioritise any compliance gaps
- Create a tailored, pragmatic action plan and advise your business on implementing any necessary changes