

INSIGHT GUIDE

The Employment Rights Act 2025

‘At a Glance’

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The Employment Rights Act 2025

‘At a Glance’

The Employment Rights Act 2025 (‘ERA 2025’) introduces significant changes for employers, with measures taking effect in phases (and some already in force). The ERA 2025 will lead to fundamental changes in key HR processes at every stage of the employment lifecycle, changes to employee relations and union rights and an increased focus on employment law compliance and enforcement.

This ‘At a Glance’ guide gives employers an overview of what’s changing, the timings for implementation and general steps on how to prepare.

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Key Timings

TIMELINE



¹ This demonstrates the key changes only, some changes including some specific trade union changes and sector specific changes (such as to seafarers, ships' crews and children working on heritage railways) are not included.

What Is The Implementation Timeline?

Changes under the ERA 2025 are being introduced in phases throughout 2026 and 2027. Most measures in the ERA 2025 require commencement regulations to bring provisions into force. However, to help employers prepare, the Government has published a timeline (updated on 3 February 2026) indicating when it is bringing key changes into effect - although this could be subject to change. Some measures are already or will shortly be in force, but for later measures the Government is undertaking a programme of consultations and is publishing regulations, guidance and codes of practice to set out practical details and how the new duties will operate. The current anticipated timeline is set out below.

TIMINGS¹

18 December 2025

- Repeal of Strikes (Minimum Service Levels) Act 2023

6 January 2026

- Repeal of the Workers (Predictable Terms and Conditions) Act 2023 (never been brought into force)

18 February 2026

- Trade union changes, including:
 - Repeal of the great majority of the Trade Union Act 2016 and 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
 - Strengthened protections against dismissal for taking industrial action
- Employees that are newly eligible for 'Day 1' Paternity Leave and Unpaid Parental Leave can give notice (see 6 April 2026 below)

6 April 2026

- Collective redundancy protective award doubled (from 90 to 180 days' gross pay per employee)
- 'Day 1' rights to paternity leave and parental leave
- Whistleblowing protections expressly include sexual harassment
- Bereaved Partner's Paternity Leave (this is a non-ERA 2025 measure but has been included here)

Continued

Key Timings

TIMELINE



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TIMINGS¹

6 April 2026 *(continued)*

- Statutory Sick Pay – removal of the lower earnings limit and waiting period and new pay rate calculation for low earners
- Action plans on gender equality and supporting employees through the menopause on a voluntary basis (mandatory from 2027)
- Menopause guidance
- Simplifying trade union recognition process
- Requirement to keep adequate records to demonstrate compliance with annual leave and pay requirements

7 April 2026

- Fair Work Agency body established (some powers due to take effect immediately and others expected in phases)

August 2026

- Electronic and workplace balloting for Statutory Trade Union Ballots

October 2026

- Employer duty to prevent sexual harassment – increasing to “all reasonable steps”
- Introducing a power to enable regulations to specify steps that are to be regarded as ‘reasonable’, to determine whether an employer has taken “all reasonable steps” to prevent sexual harassment (but note 2027 below)
- Introducing an obligation on employers not to permit harassment by third parties
- Trade union changes: duty to inform workers of their right to join a trade union; strengthening trade unions’ right of access; unfair practices in the trade union recognition process; new rights and protections for trade union representatives; extending protections against detriments for taking industrial action; and bringing forward regulations to establish the Fair Pay Agreement Adult Social Care Negotiating Body in England
- Tightening of tipping law (including requirements for employers to consult on tipping policies)
- Procurement – reinstatement and strengthening of ‘two tier workforce code’ in relation to outsourcing (public sector)
- Employment tribunal time limits increasing from 3 to 6 months (the Government’s published timeline currently indicates this will be “no earlier than October 2026”)

Key Timings

TIMELINE



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TIMINGS¹

● January 2027

- Reduction of unfair dismissal qualifying period to 6 months, for dismissals from 1 January 2027, and uncapping compensatory awards
- Fire and rehire/replace protections

● In 2027

- Action plans on gender equality and supporting employees through the menopause (mandatory)
- Enhanced dismissal protections for pregnant women and new mothers, with potential extension to other types of leave
- Specifying steps that are to be regarded as “reasonable”, to determine if an employer has taken all reasonable steps to prevent sexual harassment
- Trade union changes: extending blacklisting protections; industrial relations framework
- Regulation of umbrella companies as employment businesses
- New additional collective consultation threshold to trigger collective consultation obligations where a minimum number of employees are to be made redundant across a business (rather than just at one site)
- Flexible working changes (increased requirement to justify any refusal and demonstrate reasonableness, and potential for specific consultation steps to be set out)
- Bereavement leave (to provide protection for various types of bereavement, including pregnancy loss)
- Restrictions on the use of 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)
- Electronic and workplace balloting for recognition and derecognition ballots
- 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

● Unknown

- Potential changes to time off for public duties (subject to a review under ERA 2025)

Key Changes and Key Actions for Employers

How Littler Can Help

Our [ERA 2025 Readiness Review](#) provides a tailored, proportionate assessment of how the new legislation impacts your business.

We can help you to:

- Understand and assess the specific impacts of the ERA 2025 on your business
- Identify the key risk areas that require immediate attention and produce a tailored action plan
- Take the necessary steps by providing you with hands-on delivery support

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.

With some measures already in force and others due to take effect soon, acting now will mitigate against operational and legal risk. Actions such as training managers on key processes to take account of the reforms (including effective use of probation periods), strengthening employee engagement and relations practices, understanding your current compliance position and reviewing existing practices and processes will create stronger foundations and reduce the likelihood of issues arising as the new laws take effect.

We have identified below some of the high level actions employers may wish to consider for some of the key reforms that will affect most businesses. For example, it does not include all trade union measures and those in certain sectors who may have sector specific reforms.

Please note:

- This is a general resource and is not exhaustive and will be subject to change.
- We encourage early engagement and to seek legal advice before implementing major policy or practice changes or undertaking any compliance reviews. Explore our [ERA 2025 services](#).
- 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](#).

Key Changes and Key Actions for Employers

- April 2026
- October 2026
- 2027

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STEPS

Collective Consultation Protective Awards Doubled

'Day 1' Rights To Paternity and Parental Leave and New Bereaved Partner's Paternity Leave

Whistleblowing To Expressly Include Sexual Harassment

Statutory Sick Pay (SSP) Changes

Simplifying Statutory Trade Union Recognition Process

Fair Work Agency - New Statutory Enforcement Body

Annual Leave And Pay Records

ACTIONS

- Assess impact of increased penalties for current and future redundancies
- Review affected policies and procedures and train managers on consultation processes
- Factor increased costs into risk assessments

- Review and amend any affected family leave policies and template contracts
- Ensure HR systems can process leave requests from new starters
- Prepare Bereaved Partner's Paternity Leave policy

- Review and amend affected whistleblowing and sexual harassment policies and procedures
- Review and amend template contracts, including to check NDAs will not prevent workers from making protected disclosures about sexual harassment

- Budget higher costs for SSP (e.g. if employers pay SSP only)
- Inform payroll of changes
- Review and amend sickness absence or attendance policies and procedures and consider wellbeing strategies
- Review and amend any template contracts

- If not currently unionised, consider likelihood of new requests for recognition (which may become easier with the changes)
- Consider any potential improvements to existing employee relations and your wider employee relations strategies

- Assess compliance risks (e.g. for holiday and National Minimum Wage) and consider any remedial steps to mitigate against future enforcement (note some enforcement powers are due to take effect immediately on 7 April 2026 and others are expected in phases)
- Ensure records for key areas are maintained and up to date (including for the new requirement to keep adequate records for annual leave/pay)
- Understand impact on complaints handling for the business

- Ensure records for key areas are maintained and up to date
- Assess risks for holiday entitlements and consider taking remedial steps to mitigate future enforcement

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STEPS

Duty To Prevent Sexual Harassment Increasing To “All Reasonable Steps”

Employer Liability For Third Party Harassment

Trade Union New Duties & Rights (Including Rights Of Access, Duty To Inform Of Right To Join Union, Detriments For Industrial Action and New Rights For Trade Union Representatives)

Public Sector Outsourcing - Two-Tier Code

Tightening Of Tipping Laws

Tribunal Time Limits Increasing From 3 To 6 Months

ACTIONS

- Assess compliance for current duty to prevent sexual harassment
- Review and amend risk assessments to reflect the new enhanced duty
- Review and amend any sexual harassment or harassment policies
- Ensure all reasonable steps identified to prevent sexual harassment have been put into effect including staff training
- Undertake risk assessments to help identify all reasonable steps that can be taken to prevent third party harassment
- Review and amend any harassment policies or other equal opportunities policies and template contracts
- Ensure all reasonable steps identified to prevent third party harassment have been put into effect including staff training
- Consider likelihood of requests for access and possible improvements to existing employee relations and your wider employee relations strategies
- Ensure new rights for union representatives and equality representatives can be accommodated (e.g. for facilities)
- Review and amend recruitment processes, template contracts and HR procedures, including for new duty to inform workers of the right to join a trade union
- If undertaking public sector outsourcing, review contracts to update with prescribed provisions and ensure compliance with the two-tier code
- Review and amend processes around tipping policy to align with new consultation requirements
- Consider employee relations and dispute strategies

Key Changes and Key Actions for Employers



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STEPS

Unfair Dismissal - Reduction Of Qualifying Period and Uncapped Compensation

Fire and Rehire / Replace Protections

Redundancy Collective Consultation - New Threshold

Zero Hours Contracts (Guaranteed Hours Offers and Shifts) and Umbrella Company Reforms

Enhanced Dismissal Protections For Pregnant Women and New Mothers

ACTIONS

- Review hiring processes to ensure suitable
- Train line managers on probation and performance management
- Review and amend template contracts
- Review and amend affected policies and procedures (e.g. disciplinary, capability and absence)
- Review suitability of remuneration documents (e.g. bonus schemes)
- Review strategies, in particular around senior exits

- Consider if appropriate to make any necessary contractual changes prior to restrictions being implemented
- Consider including flexibility provisions in template contracts
- Review and amend any dismissal policies and procedures
- Ensure any dismissals and any plans to amend terms and conditions are risk assessed

- Plan to establish central administration/record keeping systems to keep track of any proposed redundancies across different sites and to manage such proposals
- Track redundancies across the business in accordance with new threshold requirements once known
- Train managers on new requirements, including tracking and record keeping systems

- Consider resourcing and staffing models and assess budgetary and operational impacts of changes
- Risk assess labour supply chains
- Establish central administration systems for working hours, guaranteed hours offers, reasonable notice for shifts and any cancellations/changes
- Review and update template contracts
- Set up payroll mechanism for compensation rights

Once details are known:

- Track family leave taken
- Review and amend any affected family leave policies and any affected dismissal procedures
- Risk assess future dismissals in line with new protections

Continued

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STEPS

New Bereavement Leave

Pay Gap Reporting Equality Action Plans

Flexible Working Changes

Non-Disclosure Agreements

ACTIONS

- Once details are known, review and amend any affected family leave policies or affected template contracts
- Preparatory work will be required in advance of implementation to ensure equality action plans are ready for publication
- Consider where flexible working requests may come from to prepare for requests
- Review and amend any affected flexible working policies and documents once details known
- Train managers on new requirements, including employee consultation
- Review and amend affected equalities policies and procedures
- Review and amend template contracts, including any NDAs and settlement agreements
- Review and consider strategies around termination and settlement

We note that all examples provided are illustrative only and not exhaustive - organisations should consider what is appropriate for their business

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