

PEOPLE INSIGHTS

NEWSLETTER

EMPLOYMENT RIGHTS BILL UPDATE

The Government published its Implementation Roadmap for the Employment Rights Bill on 1st July 2025, setting out a phased delivery plan for the upcoming changes.

Perhaps the most surprising, is that it looks like we're going to have to wait until sometime in 2027 to see any changes to the zero-hour contracts and 'day 1' unfair dismissal rights.

Here's a summary of the key points and proposed implementation dates:

Immediate (awaiting Royal Assent):

- Repeal of the Strikes (Minimum Service Levels) Act 2023 and major parts of the Trade Union Act 2016
- New protections preventing dismissal for participating in industrial action

April 2026:

- Protective award for collective redundancies – doubling maximum period
- 'Day 1' paternity and unpaid parental leave
- Enhanced whistleblower protections
- Establishment of a Fair Work Agency
- Statutory Sick Pay improvements (removal of lower earnings limit and 3 day waiting period)
- Simplified trade union recognition and digital/workplace balloting systems

October 2026:

- Ban on fire-and-rehire
- Launch of a Fair Pay Agreement Negotiating Body for adult social care
- Stronger tipping laws
- Employer duty to take 'all reasonable steps' to prevent sexual harassment
- Expanded trade union rights

2027:

- Mandatory gender pay gap and menopause action plans (voluntary from April 2026)
- Rights for pregnant workers
- Bereavement leave
- Protections against zero hour contract abuse
- Umbrella company regulation
- 'Day 1' unfair dismissal rights

Consultations will begin this summer and continue into early 2026.



EMPLOYMENT RIGHTS BILL UPDATE

10th July 2025

Following the publication of its Implementation Roadmap setting out the planned implementation dates for the reforms in the Bill, the Government has now proposed further amendments:

- **Pregnancy loss - bereavement leave**

extending unpaid bereavement leave in the Bill to include a day-one right to time off work to grieve a pregnancy loss before 24 weeks.

- **Fire and re-hire carve out**

Restrictions on the use of dismissal and re-engagement (also known as fire and re-hire), will only apply to "restricted variations" to contracts such as changes to pay, bonuses, pensions, total hours worked, shift timings, and annual leave allowances.

- **Ban on NDAs in harassment / discrimination cases**

Employers will no longer be able to use NDAs to cover up harassment and discrimination cases

- **Redundancy replacement rule**

It will be prohibited to replace redundant staff with agency workers.

Further changes to the Bill could still be made as it progresses in the House of Lords. We will have to wait and see if these latest amendments make it into the final version of the Bill and become law.

Next steps for small business employers:

- Check your current policies and practices. Updates will need to be made in due course to comply with the new legislation.
- Assess the cost implications of enhanced entitlements to statutory sick pay and paternity pay.
- Ensure recruitment, onboarding and performance management processes are robust to prepare for 'day 1' unfair dismissal rights.



Parental Leave Review - What Employers Need to Know



system so it better supports working parents and reflects the realities of modern family life.

What's Changing?

The review will look at maternity, paternity, adoption, and shared parental leave, with a focus on:

- **Affordability** – Many new fathers currently skip paternity leave because they can't afford to take it.
- **Low uptake of shared parental leave** – Despite being available since 2015, very few parents use it.
- **Gender equality** – The current system contributes to the gender pay gap, with mothers taking long periods off work while fathers often return immediately.

The government says the goal is a simpler, fairer system that balances the needs of families and employers.

Why This Matters to Small Employers

If you run a small business, changes to parental leave could have practical implications:

- **Cost Planning:** There may be increases to statutory leave entitlements or pay rates.
- **Staff Cover:** Longer or more flexible leave options might affect workforce planning.
- **Policy Updates:** Contracts, handbooks, and HR processes may need to be reviewed.

However, the government has emphasised the importance of making any new system workable for small businesses, so employer input is vital.

A public call for evidence is open now until late August and can be accessed [here](#). Employers are encouraged to share their experiences and concerns to help shape the new framework.

Next Steps

The review will run for around 18 months, with a proposed reform roadmap expected in early 2027.

For now, no legal changes have been made—but this is one to watch closely.



Questions & Answers

We were supposed to have a new starter, but I want to withdraw the offer, can I?

If an unconditional offer has already been accepted, you could be in breach of contract. You would need to serve appropriate notice and ensure your reasons aren't discriminatory.

Can an individual come back to work once they have received retirement benefits?

Yes. You can continue to work while still receiving a pension. However, it is important to make sure any employee receiving a pension while working is on the right tax code.

Do I need to provide a prayer room for my employees?

No, but you should comply with any request to allow them to use a quiet space to pray, if it doesn't disrupt the business or other staff.

Get in touch

Here are three questions for you:

- Do you currently have an HR consultant?
- On a scale of 1 to 10, how happy are you with them?
- If the answer isn't "I'm so delighted I could print 1,000 flyers to spread the word about them", let's jump on a video call

You know just how important it is to get proactive, responsive HR support. That's what we do and we're taking on new clients.



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