

A group of five diverse office workers are gathered around a desk in a modern office environment. In the foreground, a man with grey hair and glasses is looking intently at a laptop screen. Behind him, a woman with long blonde hair is also looking at the screen. To her right, a man with glasses is looking towards the right. In the background, a woman with long brown hair is looking towards the left. The office has large windows in the background, and the overall atmosphere is professional and collaborative.

EMPLOYMENT RIGHTS ACT 2025

KEY REFORMS: A QUICK GUIDE FOR EMPLOYERS

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(Expected implementation dates in green)

(* = Detail subject to further consultation)

THE BIG THREE

1. Enhanced dismissal protection:

- Unfair dismissal rights*: Extended to employees with at least six months' continuous service (reduced from two years) | Cap on unfair dismissal compensation abolished **(TBC)**
- Large scale redundancies: Collective consultation / HR1 notification to be triggered by a "threshold number"* across all locations (in addition to 20 employees in one location) **(2027)** | Protective award for failure to comply doubled to 180 days' pay **(April 2026)** | Minimum consultation period may be doubled to 90 days where 100+ redundancies proposed* **(TBC)**
- "Fire and rehire"*: Automatic unfair dismissal if employer seeks to make a "restricted variations" (including pay, working time and time off) or purpose is to re-hire / replace employees regarding substantially the same duties **(October 2026)**

2. Flexible working*:

- Default position is that employer must agree to requests unless they are not reasonably feasible – must show one of eight business reasons and that it is reasonable to rely on that reason **(2027)**
- No refusal unless employee has been consulted and reasons for refusal must be explained in writing **(2027)**

3. Anti-harassment measures:

- Existing employer duty to prevent sexual harassment (see **EHRC 8-Step Guide**) extended to taking "all reasonable steps"* **(October 2026)**
- Employers must not permit a third party to harass employees (covers all protected characteristics under existing discrimination laws) **(October 2026)**
- Non-disclosure agreements void to the extent they seek to suppress allegations or disclosures relating to discrimination or harassment **(TBC)**
- Workers who report concerns about sexual harassment will have whistleblower protection **(April 2026)**

OTHER REFORMS

- Enhanced dismissal protection for pregnant employees and those on statutory leave*: To apply for a “protected period” following return to work and may extend beyond redundancy to other reasons for dismissal **(2027)**
- Statutory sick pay: Employees eligible from first day of sickness absence and lower earnings limit to be replaced with percentage reduction for those who earn less than SSP (currently £116.75 per week) **(April 2026)**
- Family leave*: Scope of bereavement leave to be expanded **(2027)** and paternity and parental leave to become “Day 1” rights **(April 2026)**
- Right to guaranteed hours*: Employees on zero- or low-hours contracts and agency workers entitled to a guaranteed minimum number of hours worked during a previous “reference period” **(2027)**
- Shift patterns*: Right to reasonable notice of shifts, with compensation for shifts that are cancelled or curtailed at short notice **(2027)**
- Trade union reform*: Various measures to ease restrictions on trade union activity, including reducing ballot thresholds for strike action, simplifying recognition processes, improving trade union access to workplaces and a requirement to inform employees of trade union rights **(Various implementation dates)**
- Tipping policies*: Employers must consult before introducing policy and review at least every three years **(October 2026)**
- Umbrella companies*: Tighter regulation, similar to that which applies to employment businesses (such as temp agencies) **(2027)**



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