



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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