

Employment Rights Act 2025

A governance-level guide for senior leaders and executive teams



The Employment Rights Act 2025 received Royal Assent in December 2025. It represents the most significant overhaul of employment law in a generation, with provisions rolling out between December 2025 and 2027.

This guide sets out the key changes, the implementation timeline, and the governance questions that Board members, CEOs, HR Directors and senior leaders need to be asking now, not when the deadlines arrive.

Implementation Roadmap

The table below shows the Government's intended timeline for key provisions of the Employment Rights Act 2025. It is expected to take at least two years for the full Act to come into effect. Many provisions depend on secondary legislation still being developed during 2026 and 2027. Details remain subject to change.

18th December 2025	<ul style="list-style-type: none"> ▪ Repeal of the Strikes (Minimum Service Levels) Act 2023
18th February 2026	<ul style="list-style-type: none"> ▪ Repeal of majority of Trade Union Act 2016 ▪ Removal of 10-year ballot requirement for trade union political funds ▪ Simplification of industrial action and ballot notices
1st April 2026	<ul style="list-style-type: none"> ▪ Extended dismissal protections for taking industrial action ▪ Repeal of Certification Officer levy on trade unions and employer associations
6th April 2026	<ul style="list-style-type: none"> ▪ SSP payable from day one (lower earnings limit and waiting days removed) ▪ Day-one paternity and parental leave rights ▪ Doubled collective redundancy protective award (90 days to 180 days) ▪ Whistleblowing protections for disclosures re sexual harassment ▪ Voluntary gender pay gap and menopause action plans
7th April 2026	<ul style="list-style-type: none"> ▪ Establishment of the Fair Work Agency
August 2026	<ul style="list-style-type: none"> ▪ Electronic and workplace balloting reforms
October 2026	<ul style="list-style-type: none"> ▪ Extended sexual harassment duty: all reasonable steps required ▪ Employer obligation re third-party harassment ▪ Employment tribunal time limits extended to six months ▪ Trade union right of access and recognition strengthened
January 2027	<ul style="list-style-type: none"> ▪ Qualifying period for unfair dismissal reduces to six months for dismissals from 1 January 2027 ▪ Compensation caps removed for unfair dismissal claims ▪ Fire and rehire restrictions
2027	<ul style="list-style-type: none"> ▪ Mandatory gender pay gap and menopause action plans ▪ Guaranteed hours for zero-hour and agency workers ▪ Unpaid bereavement leave (including pre-24-week miscarriage) ▪ Extended protections for pregnant workers and new mothers ▪ Flexible working: employer must justify refusal in writing ▪ New collective redundancy thresholds

What the Act Means for Your Organisation

Unfair Dismissal

1st January 2027

The qualifying service requirement for unfair dismissal claims will reduce to six months for dismissals occurring on or after 1st January 2027. Employees with less than six months' service at that date will not automatically qualify; the right applies to qualifying dismissals from that point forward.

Importantly, anyone hired since February 2025 will already have six months' service by 1st January 2027, meaning their protections activate on that date. Boards and HR functions should review their current workforce now, not just their future hiring practices.

Compensation caps for successful unfair dismissal claims will also be removed, meaning potential awards will be uncapped.

Statutory Sick Pay (SSP) Changes

6th April 2026

From 6th April 2026, SSP eligibility will expand significantly. The lower earnings limit and the three waiting days will be removed, meaning all eligible workers will receive SSP from their first full day of absence rather than day four, regardless of their usual earnings.

The precise payment structure is subject to regulations still being developed. For organisations with significant numbers of lower-paid workers, the financial implications of this change warrant modelling before April 2026.

Day-One Rights: Paternity and Parental Leave

6th April 2026

The qualifying service requirements will be removed for both paternity leave and unpaid parental leave. Both will become day-one rights for eligible employees from April 2026.

There is an immediate operational implication: staff can give notice of their intention to take parental leave now, in anticipation of becoming eligible when the change comes into force. Organisations should be prepared for requests to arrive before April, not just after it.

HR policies, onboarding processes, and the briefing given to managers about new starters all need to reflect the new baseline. Organisations should not wait until April to begin that work.

Sexual Harassment: All Reasonable Steps

October 2026

From October 2026, employers will be required to take 'all reasonable steps' to prevent sexual harassment of their employees. The duty will also require employers not to permit harassment of employees by third parties, including clients and contractors.

The Act creates a power for regulations to specify steps that will be regarded as reasonable. A policy statement and an annual e-learning module will not be sufficient. Organisations should be auditing their current provision against what a credible prevention system actually looks like, ahead of those regulations being finalised.

What the Act Means for Your Organisation

Zero-Hour and Low-Hour Contracts

2027

After a reference period, zero-hour, low-hour and agency workers who regularly work consistent hours will have the right to be offered a guaranteed hours contract reflecting their usual working pattern. This is a right to receive an offer, subject to the detail of regulations still being developed; it is not automatic conversion.

Employers will also be required to give reasonable notice or compensation when changing or cancelling shifts. For organisations that rely heavily on flexible workforce models, this represents a fundamental shift in workforce planning that Boards should be examining now.

End of 'Fire and Rehire' Schemes

January 2027

Fire and rehire dismissals in relation to restricted contract variations will be automatically unfair from January 2027, unless the employer can demonstrate that the change was genuinely unavoidable to prevent the effects of financial difficulties.

Organisations planning any restructuring activity involving changes to terms and conditions need to review those plans carefully in light of this provision. The threshold for what counts as 'unavoidable' is expected to be a high bar.

Flexible Working

2027

Employers will be required to accept flexible working requests unless refusal is reasonable on one of the existing statutory grounds, which remain in place. The shift is procedural rather than absolute: employers will be required to explain in writing why any refusal was reasonable, and the method of employee consultation required before refusing a request will be set out in law.

This raises the bar significantly from current practice in many organisations, where refusals are often brief and poorly documented.

Bereavement Leave

2027

Employees will be entitled to unpaid bereavement leave to cope with loss. The entitlement will also extend to employees who experience a miscarriage before the 24th week of pregnancy, providing statutory recognition and protection for a circumstance that currently has no dedicated legal provision.

Organisations should be reviewing their bereavement policies now, both to prepare for the legal requirement and to ensure their approach reflects the kind of employer they want to be.

Equality, Disclosure and Workforce Protection

Equality Action Plans: Gender Pay Gap and Menopause

April 2026 (voluntary)

2027 (mandatory)

Gender pay gap and menopause action plans will become mandatory for large organisations in 2027, with a voluntary publication window opening in April 2026.

This goes significantly further than reporting. An action plan requires organisations to set out what they're actively doing, why they believe it will work, and how they will measure progress. The familiar narrative of pipeline issues and sector norms will not be sufficient.

Menopause support has been placed alongside gender pay deliberately. Both are about whether women can thrive and progress in your organisation, and both require you to look beyond policy and into practice. If your menopause provision currently consists of a policy document and an employee handbook entry, that will look thin when you are asked to publish an action plan.

Protection for Pregnant Workers and New Mothers

2027 (mandatory)

Pregnant women and new mothers will have enhanced legal protection from dismissal for six months after returning to work. Line managers and HR teams will need to understand both the letter and the spirit of this provision, particularly in organisations where a return from maternity leave has historically coincided with restructuring or role changes.

Confidentiality Clauses: Harassment and Discrimination

Date TBC

Clauses in NDAs and settlement agreements that prevent an individual from disclosing incidents of harassment or discrimination will be unenforceable. The change does not amount to a full ban on NDAs, but voids the specific provisions that have historically been used to silence those who have experienced workplace harm. Organisations should review their standard settlement agreement templates in light of this change.

Redundancy Reform

April 2026 / 2027

From April 2026, the protective award for failing to comply with collective redundancy consultation laws doubles from a maximum of 90 days' pay to 180 days' pay.

From 2027, the thresholds for what constitutes a large-scale redundancy will change.

Fair Work Agency

April 2026

A new Single Enforcement Body called the Fair Work Agency will be established, with the power to bring employment tribunal claims on behalf of workers and provide legal support to those bringing their own claims.

Critically, the Agency will be able to inspect businesses without an employee complaint having been made. The burden of proof will lie with the employer. Organisations need to be inspection-ready as a matter of course, with documentation that evidences correct pay calculations, proper leave records, and policy compliance.

Governance Questions for Your Board

Organisations that wait for deadlines to arrive will be managing compliance under pressure. Those that begin now will be shaping what good looks like. Here are the questions your Board and executive team should be asking in 2026.

Data and Baseline

- Do we actually know what our gender pay gap data is telling us, beyond the headline number?
- Do we understand the structural causes in our organisation, rather than relying on pipeline explanations or sector comparisons?

Managerial Capability

- Are our line managers equipped to handle day-one rights, flexible working requests, bereavement conversations and dismissal decisions in a way that is both legally sound and consistent with how we want to operate as an employer?

Workforce Structure

- If we have significant numbers of zero-hour or low-hour workers, do we understand the practical and financial implications of guaranteed hours obligations in 2027?
- Has that analysis reached Board level yet?

Harassment Prevention

- Do our current measures genuinely meet the 'all reasonable steps' test?
- Can we demonstrate a proactive system of prevention, not just a policy document and an annual e-learning module?

Governance Visibility

- Does our Board have direct sight of our equality, pay, and culture metrics?
- Or is this buried in operational reporting that never surfaces at the right level or with the right degree of challenge?

Action Plan Readiness

- If we published a voluntary Equality Action Plan in April 2026, would it be credible?
- Does what we would publish reflect what we are actually doing, or would it expose the distance between our stated commitments and our current practice?

ERA 2025: Governance Stress Test

The Employment Rights Act introduces significant changes to dismissal risk, workforce structure, and employer accountability. Most organisations believe they are prepared. Many are not. The following questions provide a quick test of whether your organisation is genuinely ready.

Workforce Risk

Do we know how many employees will gain unfair dismissal protection on 1 January 2027 under the new six-month qualifying rule?

 Yes No Not sure

SSP Exposure

Have we modelled the financial impact of day-one Statutory Sick Pay across our workforce, including lower-paid and part-time workers?

 Yes No Not sure

Zero-Hour Contracts

If workers qualify for guaranteed hours in 2027, do we understand the operational and cost implications for our workforce model?

 Yes No Not sure

Harassment Prevention

Can we demonstrate a credible prevention system that would genuinely meet the 'all reasonable steps' standard, not just a policy and annual e-learning?

 Yes No Not sure

Flexible Working

Are our managers equipped to justify refusals legally and evidentially, not just operationally?

 Yes No Not sure

Equality Action Plans

If required to publish an Equality Action Plan today, would it stand up to scrutiny, or would it expose the gap between stated commitments and current practice?

 Yes No Not sure

If several of these questions are difficult to answer confidently, your organisation may not yet be prepared for the Employment Rights Act implementation timetable.

How We Can Support Your Organisation

We work at the governance level with Boards, executive teams, and leaders to ensure that equity and inclusion are embedded in how decisions are made, not added in afterwards.

Maturity Audits

We assess where your organisation genuinely is, not where your policies suggest you are.

Our audits give leaders an honest baseline.

Board Support

We facilitate governance-level conversations that move beyond compliance into accountability, with senior leaders who can challenge with authority.

Equality Action Planning

We support you to build action plans that are credible, measurable and defensible, not aspirational documents that won't withstand scrutiny.

Lived Experience Engagement

Structured engagement with those whose experience of your organisation tells a different story from the one in your annual report.

Recruitment Transformation

We redesign selection processes to reduce bias and improve the quality of decision-making at every stage of recruitment.

Cultural Embedding

Moving inclusion from a programme into the way your organisation operates, at every level and in every function.



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