

The Employment Rights Act 2025: Guidance Note

The Employment Rights Act introduces landmark reforms to employment law. The changes introduced by the Act will be phased in over a 2-year period. In many cases these changes will be implemented subject to government consultations.

Download our one-page summary of the key changes in the Act: [Here](#)

The position outlined in this guidance reflects the law as of February 2026. If you have any questions, please contact the team.

Change	Strategies for success
18 December 2025	
<p>Repeal of the Strikes (Minimum Service Levels) Act 2023, which removes the minimum service level rules for strike action.</p>	<p>This change is already in force. To prepare for potential strike action and ensure your organisation is compliant with the current law, you should:</p> <ul style="list-style-type: none"> • Strengthen workforce engagement: Create early-intervention dispute-resolution channels to reduce strike escalation. • Scenario-test operations: run “no-minimum-service” simulations for critical functions, especially customer-facing or safety-critical roles. • Update contingency planning: revise business continuity plans assuming no minimum service level protection.
18 February 2026	
<p>Dismissal for participating in industrial action becomes automatically unfair. This will remove the current 12-week limit for claiming unfair dismissal.</p>	<ul style="list-style-type: none"> • Train managers: focus on tightening up your dismissal procedures to ensure no one is penalised for participating in industrial action.
<p>Notice of industrial action required reduced from 14 to 10 days.</p>	<ul style="list-style-type: none"> • Maintain an open dialogue with trade unions to avoid disputes. • Update your senior leadership team so they are aware of reduced notice period.

	<ul style="list-style-type: none"> • Revise business continuity plans to prepare for industrial action at shorter notice.
<p>Ballot thresholds simplified – Trade unions will only need a simple majority in favour of industrial action; special public sector rules will also be removed.</p> <p>Picket supervisor requirement removed.</p> <p>Industrial action mandates extended from 6 to 12 months.</p> <p>Political fund rules updated.</p>	<ul style="list-style-type: none"> • Simplified ballot thresholds may mean that unions ballot for industrial action more often. Businesses should review their continuity plans to ensure they are prepared in the event of industrial action and keep an open dialogue with trade unions.
<p>Employees who will be newly eligible for paternity leave from 6 April 2026 will be able to give notice to their employer that they intend to take leave.</p>	<ul style="list-style-type: none"> • Train managers in advance of 6 April in dealing with leave requests and ensure they understand employees’ entitlements, and when they can give notice. • Update your paternity leave policy.
6 April 2026	
<p>Paternity leave becomes a day one right (no 26-week service requirement).</p>	<ul style="list-style-type: none"> • Review and update your paternity leave policy. • Train managers in dealing with leave requests and ensure they understand employees’ entitlements. • Stress-test resourcing models, especially for roles with high turnover, to ensure teams are able to manage short-notice paternity leave requests.
<p>Ordinary (unpaid) parental leave becomes a day one right (no one year service requirement).</p>	<ul style="list-style-type: none"> • Review and update your parental leave policy. • Train managers in dealing with leave requests and ensure they understand employees’ entitlements. • Stress-test resourcing models, especially for teams with high early-career turnover.

<p>Restriction preventing an individual from taking paternity leave after shared parental leave removed.</p>	<ul style="list-style-type: none"> • Update your policies so employees are aware of their entitlements in respect of taking these types of leave consecutively. • Train managers in dealing with leave requests and ensure they understand employees' entitlements.
<p>Statutory sick pay (SSP) paid from day one of sickness, not day four. Lower earnings limit removed.</p>	<ul style="list-style-type: none"> • Reflect the new rules in policies and procedures. • Update contracts and handbooks where necessary. • Update payroll software and absence-tracking systems. • Consider your model cost impact: especially for low-hours/seasonal staff.
<p>Maximum protective award for failure to consult in collective redundancy doubled from 90 to 180 days' pay.</p>	<ul style="list-style-type: none"> • Require business units to notify HR of potential redundancies as soon as they appear on the horizon. • Train decision-makers and managers on HR1 obligations to avoid criminal liability for non-submission. • Strengthen record-keeping to demonstrate compliance at each consultation stage — failure is now extremely costly.
<p>Sexual harassment becomes a qualifying disclosure under whistleblowing law, giving whistleblowers protection from detriment and unfair dismissal for making a sexual harassment disclosure.</p>	<ul style="list-style-type: none"> • Update your whistleblowing policy to include sexual harassment as a listed "qualifying disclosure". • Align your policy with your harassment risk assessment. • Train managers and investigation teams to ensure competence in handling sensitive sexual harassment disclosures.

<p>Gender pay gap and menopause action plans become voluntary from April 2026 for employers with 250 or more employees (mandatory in 2027 – exact date TBC).</p>	<ul style="list-style-type: none"> • Undertake a dry-run action plan to gain a competitive head start before the plans become mandatory. • Use early publication as a brand differentiator, particularly for recruitment and retention. • Introduce menopause support measures such as manager training and clear policies.
<p>7 April 2026</p>	
<p>Fair Work Agency established to consolidate enforcement bodies and take on wider enforcement of employment rights (e.g., holiday pay, SSP).</p>	<ul style="list-style-type: none"> • Conduct compliance audits on holiday pay, SSP and contracts. • Strengthen record-keeping procedures to be able to evidence compliance. • Create a plan / protocol in the event of a FWA investigation. • Take steps to identify and address potential historic breaches (involving lawyers where appropriate to ensure legal privilege).
<p>No earlier than August 2026</p>	
<p>Simpler process to gain trade union recognition, and members able to vote in ballots electronically or in-person. The 50% turnout requirement for ballots is expected to be removed shortly after April 2026.</p> <p>An updated Code of Practice on trade union recognition supporting this is expected to come into force in October 2026.</p>	<ul style="list-style-type: none"> • Assess workforce sentiment to identify whether early intervention can reduce the risk of formal recognition bids. • Engage proactively with the workforce to understand any emerging concerns and consider whether early, constructive dialogue, including the option of voluntary recognition, could prevent or de-escalate formal recognition bids. • Modernise employee relations communications and prepare digital channels for union engagement.
<p>October 2026</p>	

<p>Employers must take all reasonable steps (stronger test from the current ‘reasonable steps’) to prevent sexual harassment.</p>	<ul style="list-style-type: none"> • Conduct sexual harassment risk assessment. • Implement a “reasonable steps” action plan including training of all staff, policies and incident tracking. • Review EHRC 8 step guide: Employer 8-step guide: Preventing sexual harassment at work EHRC
<p>Employers liable for third-party harassment (e.g, by customers or clients) unless all reasonable steps were taken to prevent it happening. Applies to all types of harassment.</p>	<ul style="list-style-type: none"> • Conduct third-party harassment risk assessment to consider potential risks of third-party harassment. • Implement a “reasonable steps” action plan including training of all staff, policies and incident tracking.
<p>Employers must consult on tipping policies and update them every 3 years.</p>	<ul style="list-style-type: none"> • Consult with workers or their representatives before creating a tipping policy. • Update systems to generate reminders to update tipping policies every 3 years to remain compliant.
<p>Time limits for making a claim to an employment tribunal increased to 6 months for all claims.</p>	<ul style="list-style-type: none"> • Tighten probation/performance management and dismissal procedures with legally robust processes, record-keeping and document retention. • Re-train managers on fair procedure and investigations. • Consider strategy for dealing with Acas Early Conciliation notifications. • Educate senior leadership that litigation risk may increase as a result. • Consider re-modelling settlement and litigation exposure assumptions.
<p>New duty to inform workers of their right to join a trade union.</p>	<ul style="list-style-type: none"> • Build this information into current onboarding processes for new staff and plan introduction to existing staff.

<p>Updated rules on a trade union's right of access to the workplace and new rights to reasonable accommodation and facilities for trade union representatives carrying out their duties, a new right to time off for union equality representatives to carry out their duties. An updated Code of Practice will be published on trade union recognition.</p>	<ul style="list-style-type: none"> • Train managers on these new rights. • Create or update policies to include processes for requesting time off for union activities and for providing accommodation and facilities. • Create an audit trail of decision-making to mitigate claims of obstruction. • Take part in an Acas' consultation about trade union duties and activities. Closes 17 March 2026.
<p>Workers taking part in industrial action will be protected from detriment (in addition to unfair dismissal).</p>	<ul style="list-style-type: none"> • Train managers: focus on discrimination risks and handling absences in relation to participating in industrial action, as well as treatment of workers following industrial action.
<p>New 'two-tier code' on public sector outsourcing to avoid disparity between ex-public sector and private sector workers.</p>	<ul style="list-style-type: none"> • Review the code once published. • Stay up to date with the Greene & Greene ERA25 Knowledge Hub for updates on the code and duties imposed under it.
<p>Launch of new adult social care negotiating body.</p>	<ul style="list-style-type: none"> • Engage with the body once set up if applicable to your industry.
January 2027	
<p>'Fire and rehire' becomes automatically unfair in most cases. An updated code of practice to support these changes will be provided later in 2027.</p>	<ul style="list-style-type: none"> • Review contracts ahead of the change coming into force and consider seeking to negotiate changes and/or build in flexibility. • Educate senior leadership on the employee-relations and litigation risk arising from the changes. • Prioritise negotiated change (consult, incentivise, phase) over dismiss and rehire. • Review and update policies, as well as train managers in accordance with the

	<p>updated code of practice once published.</p>
<p>Protection from unfair dismissal arises after six months' service (not day one; not two years). Limit on the compensatory award for unfair dismissal removed.</p> <p>This change will apply to all employees with six months' service at the point this change comes into force in January 2027.</p>	<ul style="list-style-type: none"> • Tighten probation/performance management with legally robust processes and record-keeping. • Consider reviewing probation periods earlier and not only at the end of the period. • Re-train managers on fair procedure and evidence standards. • Educate senior leadership and re-model settlement and litigation exposure assumptions.
2027	
<p>Stronger protections against dismissal for pregnant workers and those returning from maternity leave.</p>	<ul style="list-style-type: none"> • Update redundancy selection safeguards and prioritise redeployment rules. • Train managers on protected periods and risk factors. • Review and strengthen adjustments and return-to-work support.
<p>New statutory right to bereavement leave. It is not known yet whether this will be paid or unpaid.</p>	<ul style="list-style-type: none"> • Stay up to date with the Greene & Greene ERA25 Knowledge Hub for updates on the introduction of this right and whether it will be paid or unpaid. • Once detail is confirmed, update employment policies. • Train managers in dealing with leave requests and ensure they understand employees' entitlements. Update managers once detail regarding pay is confirmed.
<p>Zero-hours and low-hours workers can request guaranteed hours.</p>	<ul style="list-style-type: none"> • Track actual hours to identify "regular pattern" benchmarks.

	<ul style="list-style-type: none"> • Implement request processes and review cycles. • Review and update contracts/rosters to reflect guaranteed hours.
<p>Workers entitled to pay if a shift is cancelled, moved to another date, or cut short by their employer. Employers must also provide reasonable notice of shifts and changes to shifts.</p>	<ul style="list-style-type: none"> • Train operational teams and managers on entitlements. • Update scheduling tools and manager playbooks. • Budget for operational change and contingencies. • Review current numbers of shift changes, cancellations, etc and refine processes to minimise these from occurring.
<p>Employers must give reasons (from a list of 8) and explain why they believe their refusal of a flexible working request is reasonable. Acas will review its Code of Practice on flexible working after the law changes.</p>	<ul style="list-style-type: none"> • Train managers and ensure refusal letters include reasoned explanations. • Capture evidence (impact assessments, trials) to justify decisions. • Review current policies and align processes with the Acas Code of Practice on flexible working and review the revised Acas Code once published.
<p>Law on sexual harassment will define meaning of 'reasonable steps'.</p>	<ul style="list-style-type: none"> • Update risk assessments and policies to include definitions of reasonable steps. • Review steps taken to mitigate the risk of sexual harassment to ensure compliance and document actions.
<p>Gender pay gap & menopause action plans become mandatory for employers with 250 or more employees.</p>	<ul style="list-style-type: none"> • Continue any plans created whilst voluntary.
<p>For purposes of collective redundancy consultation, numbers to be considered across the whole organisation, not just individual workplaces. Increased collective redundancy protection for workers on ships</p>	<ul style="list-style-type: none"> • Review redundancy procedures and educate managers / decision-makers on planning for potential redundancy situations.

<p>that regularly operate from British ports but are registered outside Great Britain.</p>	<ul style="list-style-type: none"> • Strengthen record-keeping, in particular regarding numbers of redundancies to demonstrate compliance.
<p>Extended protection against discrimination and blacklisting for trade union members and the creation of a new industrial relations framework to help employers and trade unions work together.</p>	<ul style="list-style-type: none"> • Refresh policies on union neutrality and fair treatment. • Prepare for e-voting processes and outcomes. • Engage proactively with unions under the new framework.
<p>'Umbrella companies' to be brought within the definition of 'agencies' for regulation and enforcement by the relevant bodies.</p> <p>The government will consult on amending the Conduct Regulations to ensure that they apply appropriately to the particular business activities of umbrella companies.</p>	<ul style="list-style-type: none"> • If relevant, engage with the government consultation when published.
<p>TBC</p>	
<p>NDA's restricting disclosure of harassment/discrimination to be void.</p>	<ul style="list-style-type: none"> • Stay up to date with the Greene & Greene ERA25 Knowledge Hub for updates on the introduction of this change and its effect.

You can access the Employment Rights Act here: [Employment Rights Act](#).

This is only intended to be a summary and not specific legal advice. If you would like further information or advice, please do contact a member of our [Employment team](#).