

The Employment Rights Bill: Latest Position

9 July 2025

The government has issued its “[roadmap](#)” for implementation of the Employment Rights Bill. This sets out the “anticipated” commencement dates for key provisions in the Bill.

The good news for employers is that, as promised, the government will be taking a staggered approach to implementation, with some of the key changes having been pushed back into 2027, including “Day One” unfair dismissal rights and the changes to the threshold for collective redundancy consultation. Common commencement dates (6 April and 1 October) will also be used to implement the majority of important changes, which will make things simpler for employers on the planning front.

The government will be carrying out various consultation exercises over the next 12 to 18 months on the secondary legislation that will provide the detail on how many of the individual measures in the Bill will work. Guidance and codes of practice to support employers to adapt to the reforms have also been promised, by the government or other organisations such as Acas.

When it comes to enforcement, the government says that it is committed to ensuring the enforcement landscape has the necessary capacity and capability to uphold the new requirements, and that this will include support for Acas, the Employment Tribunal system and the new Fair Work Agency. With some Employment Tribunals currently listing claims for hearing in late 2027, there would appear to be a great deal to do here to ensure they are in a position to handle the inevitable increase in claims.

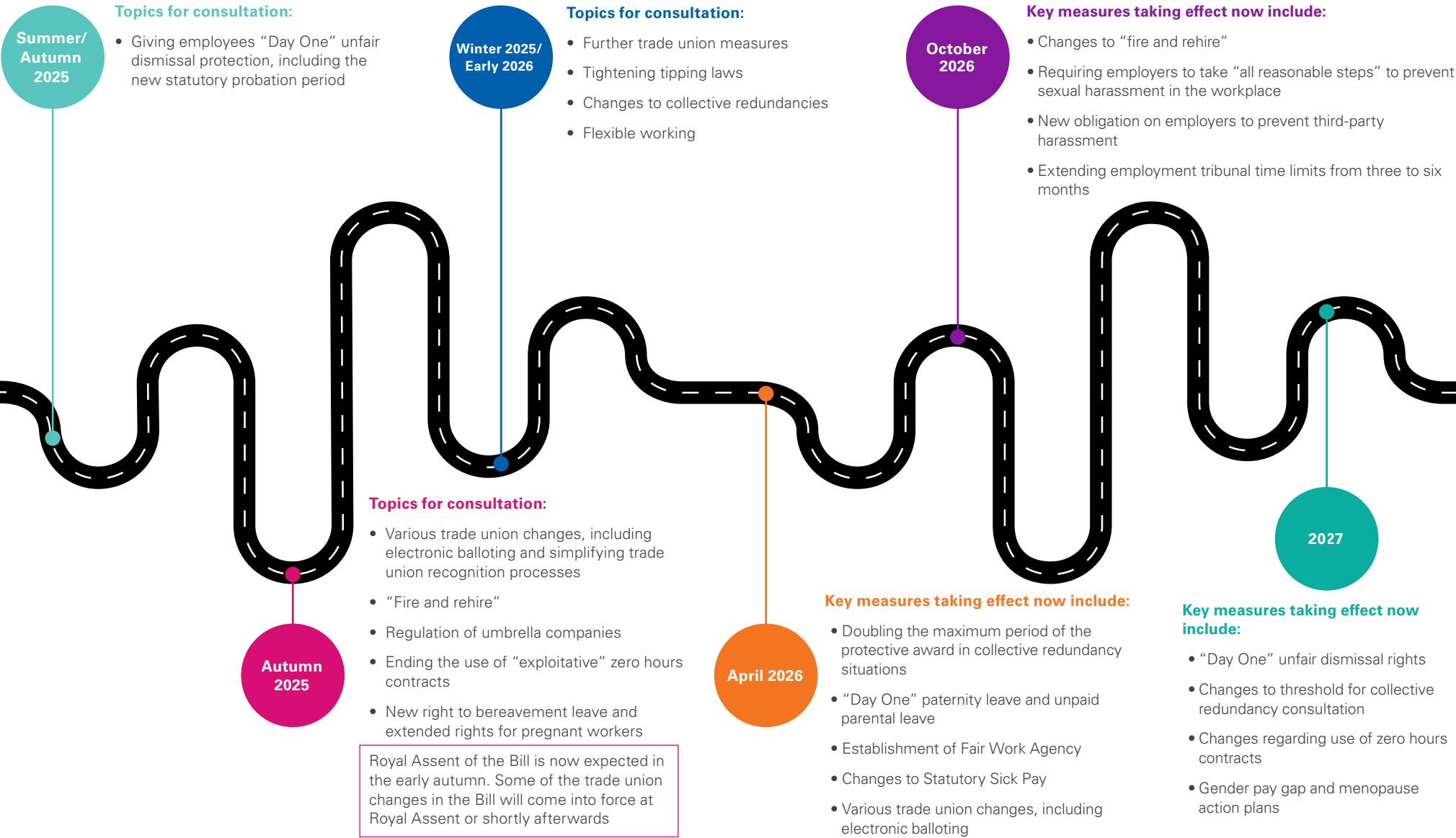
In terms of the current position, the Bill has not yet finished its passage through the House of Lords and is now expected to receive Royal Assent in the early autumn.

To support your strategic planning, we have prepared our own visual roadmap highlighting the key dates contained in the government’s implementation timetable. We have also updated our “key changes” table with these dates so you have everything in one place. Finally, we set out a reminder of our key action points for employers over the next 12 to 18 months.



The Implementation Roadmap

Below is a summary of the key dates for consultation exercises and implementation, as set out in the government’s roadmap for delivering the changes in the Employment Rights Bill.



Key Changes – At a Glance

Topic	Current Position	Proposals For Change	Anticipated Timeline for Implementation	Potential Implications For Employers
Employment Rights				
Unfair dismissal	Employees must have at least two years' service to bring an unfair dismissal claim (exceptions apply).	Two-year qualifying period will be removed. There should still be greater scope for employers to dismiss employees more easily during "initial" period of employment (likely to be 9-12 months), with a "modified" test for unfair dismissal.	Taking effect in 2027. The government will be consulting on the details of the proposed changes, including the new statutory probation period during summer/autumn 2025.	Less straightforward to dismiss employees, especially those with less than two years' service. Greater risk of unfair dismissal claims following any dismissals. Increased obligation to monitor and act on the conduct, or performance of new employees.
Dismissal and re-engagement (or "Fire and Rehire")	No statutory prohibition on dismissal and re-engagement. New statutory Code of Practice sets out the steps that employers should follow where the parties are unable to agree to changes to terms and conditions, and the employer goes down the dismissal and re-engagement route.	A change to the law on unfair dismissal so that dismissals for failure to agree to "restricted variations" (including any reduction in pay, changes to pensions, changes to hours of work) would be treated as automatically unfair, unless the employer can demonstrate financial difficulties such that the need to make the restricted variation in contractual terms was therefore unavoidable.* A different test of fairness for unfair dismissal purposes would apply to non-restricted variations.*	Taking effect in October 2026. The government will be consulting on the proposals in autumn 2025.	Very strict limitations on the ability of employers to change terms and conditions of employment in this manner. More pressure on employers to reach agreement with employees (or their representatives).
Collective redundancy consultation	Obligation to consult collectively if an employer is proposing to dismiss as redundant 20 or more employees "at one establishment" within a 90-day period. The current maximum penalty that can be awarded by an employment tribunal is 90 days' actual pay per affected employee.	The duty to consult collectively will be widened. It will be triggered where the employer proposes to dismiss as redundant 20 or more employees at one establishment within a period of 90 days or less (as is the case now), AND (new bit) where the number of proposed redundancies across a number of establishments hits a certain threshold, which has not yet been determined. The current maximum penalty that can be awarded by an employment tribunal will be doubled, i.e. 180 days' actual pay per affected employee. The government has also indicated that it will consult on doubling the minimum consultation period from 45 to 90 days, where an employer is proposing to dismiss as redundant 100 or more employees.	The changes to the threshold for collective consultation will take effect in 2027. The changes to the maximum amount of the protective award will take effect in April 2026. The government will be consulting on the "collective redundancy" proposals in winter 2025/early 2026.	Multi-site employers will be significantly affected. Collective consultation will be triggered more frequently. Higher penalties for employers if found by an Employment Tribunal to have breached these obligations. Requirement for multi-site employers to have centralised systems in place to identify proposed redundancies and when the new duty is triggered. Likely removal of site autonomy to make redundancies. The new rules apply per employer rather than across a corporate group. Greater use of site-specific subsidiaries may follow.

Topic	Current Position	Proposals For Change	Anticipated Timeline for Implementation	Potential Implications For Employers
Zero hours workers and certain other workers on low minimum hours	No current statutory right to guaranteed hours.	Right to guaranteed hours if eligible workers regularly work more hours over a reference period (likely to be 12 weeks). The government has confirmed that these provisions will be extended to agency workers.	Taking effect in 2027. The government will be consulting on the proposals in autumn 2025.	Increased administrative burden on companies and likely also their financial costs.
“One-sided flexibility” for zero hours workers and certain other workers on low minimum hours	No current statutory protection for cancelled shifts, etc.	New obligations on employers to give notice of shifts, as well as reasonable notice of, and payments for, cancelled or delayed shifts. The government has confirmed that these provisions will also be extended to agency workers.	Taking effect in 2027. The government will be consulting on the proposals in autumn 2025.	Increased administrative burden on companies, and likely also their financial costs.
Statutory Sick Pay (SSP)	Three-day waiting period. Lower Earnings Limit to be eligible.	No three-day waiting period. No Lower Earnings Limit – Meaning all eligible employees, regardless of earnings, will be entitled to SSP. Employees will receive the flat rate of SSP or 80% of their normal weekly earnings, whichever is lower.	Taking effect in April 2026.	Potentially greater financial costs, but note no obligation to pay normal salary for that waiting period.
Tips and gratuities	Affected employers must have a tipping policy in place.	Obligation to consult with workers when developing or revising their tipping policies.	Taking effect in October 2026.	Additional step to be aware of when developing or revising tipping policies.
Trade Union Rights				
Trade union rights	High ballot thresholds for industrial action, e.g. at least 50% of trade union members who are entitled to vote in the ballot must do so. Detailed information requirements, e.g. on the voting paper. Detailed notice requirements. High statutory recognition thresholds.	Repeal of many of the provisions in the Trade Union Act 2016, which will mean: • Lower ballot thresholds for industrial action • Simpler information requirements • Shorter notice requirements Repeal of the Minimum Service Levels (Strikes) Act. Various new rights and protections for trade unions, including electronic balloting. Obligation on employers to inform their workers of their right to join a trade union. New right for unions to access workplaces, including digital access.	Some of the trade union changes, including the repeal of the great majority of the provisions in the Trade Union Act 2016, the Repeal of the Strikes (Minimum Service Levels) Act 2023 and simplifying industrial action notices and industrial action ballot notices will come into force at Royal Assent of the Bill (expected to be early autumn) or shortly afterwards. Other changes will be introduced over the period April 2026 to 2027.	It is not just businesses with a trade union presence that will be affected by these changes. Even those businesses that do not may be affected, as some of the changes might mean that trade unions seek to recruit, etc. in your workplace. Trade unions will have greater freedom to organise, represent and negotiate on behalf of workers.

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Family-Friendly Rights				
Flexible working	Employees have the right to request flexible working from Day One. Employers may reject requests for one of the eight business grounds for refusal.	Employers may only refuse requests if they consider that one of the existing eight business grounds for refusal apply, and it is reasonable for them to refuse the application on that basis.	Taking effect in 2027. The government will be consulting on the proposals in winter 2025/early 2026.	Greater burden on employers to justify rejection of requests.
Dismissal during pregnancy	Mothers have additional protection from redundancy during pregnancy, when on maternity leave and for a period after maternity leave. Similar protection for adopters and those taking shared parental leave.	Additional protection from dismissal (i.e. not just in redundancy situations), while pregnant, on maternity and for a period after returning to work. Additional protection for those returning from other types of leave including adoption leave and shared parental leave.	Taking effect in 2027. The government will be consulting on the proposals in autumn 2025.	Additional obligations on employers.
Statutory Paternity Leave	To be eligible, employees must have completed 26 weeks' continuous service.	A Day One right, i.e. no qualifying period. The Bill will also remove the restriction that prohibits employees from taking statutory paternity leave if they have already taken shared parental leave.	Taking effect in April 2026.	More employees eligible for statutory paternity leave.
Statutory Parental Leave	To be eligible, employees must have completed a year of continuous service.	A Day One right, i.e. no qualifying period.	Taking effect in April 2026.	More employees eligible for statutory parental leave.
Statutory Bereavement Leave	Parental bereavement leave is currently available to eligible employees who lose a child under 18 years old, or have a still birth after 24 weeks of pregnancy.	Extended to other employees who have experienced a bereavement (to be defined in Regulations). Bereavement leave will be extended to eligible employees who experience pregnancy loss before 24 weeks.*	Taking effect in 2027. The government will be consulting on the proposals in autumn 2025.	More employees eligible for statutory bereavement leave.
Equality at Work				
Protection from sexual harassment	The new mandatory duty to take reasonable steps to prevent sexual harassment in the workplace came into force on 26 October 2024. No express statutory provisions dealing with harassment by third parties.	The new mandatory duty will be amended to require employers to take "all" reasonable steps to prevent sexual harassment in the workplace. Re-introduction of a new statutory obligation to take all reasonable steps to prevent harassment (whether related to sex or any other protected characteristic) of employees by third parties. Workers who report sexual harassment will qualify for whistleblowing protection.	The change to the mandatory duty and the re-introduction of third-party liability will take effect in October 2026. The changes to whistleblower protection will come into force in April 2026.	More onerous obligations on employers. Review of interactions between staff and third parties to assess level of risk. Likelihood of increased number of complaints and Employment Tribunal claims.

Topic	Current Position	Proposals For Change	Anticipated Timeline for Implementation	Potential Implications For Employers
Non-disclosure Agreements	The SRA's Warning Notice on Non-Disclosure Agreements provides that confidentiality provisions (e.g in settlement agreements) cannot be used to stop a worker blowing the whistle, reporting a criminal offence, reporting serious breach of a regulatory requirement, etc.	New statutory restrictions on the ability of employers to preclude workers from making allegations or disclosures about work-related harassment or discrimination.*	TBC	More careful drafting of confidentiality provisions required. Potentially reduced willingness of employers to settle claims if confidentiality cannot be guaranteed.
Equality action plans and gender pay gap reporting	Organisations with 250 or more employees are required to publish specific gender pay gap data annually. No statutory obligation to publish an action plan.	New statutory obligation to produce equality plans related to gender equality (including gender pay gap and menopause). Affected employers will also be required to publish details of those organisations, which they receive outsourced work from.	Equality plans taking effect in 2027. Introduced on a voluntary basis in April 2026.	More onerous obligations on employers.
Miscellaneous				
Enforcement	Various bodies currently have enforcement powers.	New Fair Work Agency will bring together existing enforcement bodies, including new right to enforce holiday pay. New powers to issue "notices of underpayment" where an employer has failed to pay a worker an amount due under certain legislation, e.g. SSP and holiday pay. New power to bring Employment Tribunal proceedings on behalf of workers.	The new Fair Work Agency will be established in April 2026.	Greater state enforcement.
Employment Tribunal time limits	Time limit for most Employment Tribunal claims is currently three months.	Time limits for most claims to be extended from three to six months.	Taking effect in October 2026.	Likely increase in claims.
Holidays and holiday pay	No statutory obligation to keep records.	New statutory obligation to keep "adequate" records to show compliance with obligations to provide statutory holiday and holiday pay to workers.	TBC	Potentially increased administrative burden on companies

*Recent proposed changes by the government to the Employment Rights Bill.



Preparing for Implementation of the Employment Rights Bill - Key Action Points

There has been lots of talk about companies using the next 12-18 months to prepare for the Employment Rights Bill. But what does that preparation look like? Below we take a closer look at the key steps that employers could be taking now to prepare for the significant employment law changes ahead.

1. Assess the Likely Financial Impact of the Bill on Your Business

We appreciate this is easier said than done! With so many gaps in the detail it is very difficult for businesses to be able to accurately assess the likely impact of the Bill on their business – but it shouldn't stop you giving it a go. The Bill will make fundamental changes to the employment law landscape in the UK and will impact all employers. The extent of the impact will depend on a number of factors, including the size of your workforce, the sector in which you operate, the types of individuals who work in your business, levels of staff turnover, the processes and procedures you already have in place and how generous your current terms and conditions of employment are, etc. For example, the changes governing zero hours contracts will inevitably make it more expensive to engage such workers and these additional costs will need to be budgeted for. Affected employers may also need to make changes to their systems and processes to ensure they are compliant, including the purchase of specialist software (e.g. to support with workforce planning), which may also take time to implement. There are also potential indirect costs. In its economic analysis, the government acknowledged that strengthening trade union bargaining power could lead to employers paying higher wages or providing better terms and conditions, and extending rights to more workers will increase employers' liability for legal costs and the costs of going through a dispute process.

The government's initial impact assessment estimated that the policies contained in the Bill will impose a direct cost on businesses of between £0.9 billion and £5 billion annually – but many feel that the true figure will be much higher and will grow as further details emerge about what the full extent of the changes will involve.

Once you have a feel for the likely financial impact of the Bill, you can start looking at ways to mitigate that impact, e.g. by making changes to your working practices and strengthening your policies and procedures, etc. Carrying out this exercise will require input from across the business so you may wish to put together a working group to do this.



2. Review Your Policies, Procedures and (Working) Practices

As outlined above, some of the changes in the Employment Rights Bill will require changes to working practices to ensure compliance with the new rules.

We would also recommend that employers review their policies and procedures – in particular those governing recruitment, the day-to-day management of staff and dismissals. Are they clear and comprehensive? Robust policies and procedures are important for a number of reasons – they help ensure employees are aware of the standards of conduct and performance that are expected of them, and the consequences of not meeting those standards; employees and managers are aware of the procedures that will be used to deal with any problems; employees who fail to meet the necessary standards can be dealt with quickly, fairly and consistently; and following a proper procedure minimises the risk of employees successfully challenging an employer's decision in an Employment Tribunal.

The introduction of Day One unfair dismissal rights, coupled with the extension of the time limit for bringing claims from three-to-six months, will inevitably result in more Employment Tribunal claims. Your business therefore needs to ensure its policies and procedures are drafted in such a way as to maximise the chances of success should matters end up in Tribunal. If you already have clear policies and procedures in place, are they always used, or used correctly? A failure to follow procedures can itself lead to an unnecessary number of disputes ending up in an Employment Tribunal. This links in neatly with training for managers – see below.

At some point employers will also need to make changes to their policies and procedures to reflect new rights and obligations in the Employment Rights Bill, e.g. the new SSP rules, the removal of the qualifying period of employment for parental and paternity leave, tweaks to flexible working, etc. It is still too early at this stage to start making these changes, but as the government has now set out its proposed implementation timetable, employers should be able to use this to help them plan.

Similarly, once we know more about how the new unfair dismissal provisions are going to work, employers will need to review their policies and procedures to ensure they reflect any new obligations for employers when dismissing staff during the statutory probationary period (likely to be the first 9–12 months of employment). For example, potentially including a shorter, simpler process for dismissing an employee for poor performance during this period.

3. Review Your Contracts

Again, it is too early at this point to start making changes to your contracts to reflect specific proposals in the Employment Rights Bill, e.g. the new obligation on employers to provide workers with a written statement about their right to join a trade union. As with your policies and procedures, however, it would be prudent to start reviewing your template contracts of employment to ensure they provide the business with the right amount of flexibility and protection going forwards, both during the employment relationship and afterwards, as well as being legally compliant. If the government introduces the “statutory probation period”, for example, you may wish to align any contractual probationary periods with this. You may also decide that employees will only become entitled to certain enhanced benefits (e.g. company sick pay, private health insurance, etc.) once they have completed the necessary probationary period successfully. Consideration should also be given as to whether more flexibility can be built into contracts to allow the business to make future changes to terms and conditions. This is not however necessarily an easy thing to do. As a general rule, the more detrimental the proposed change to the employee, the more express and specific the clause must be that reserves the right to make it, and the more clearly it must have been brought to the employee's attention at the point they entered into the contract.

A word of caution – employers should obviously be very careful about making changes to existing terms and conditions of employment. As a general rule, an employee's contractual terms and conditions can only be changed if they agree to the change (whether such agreement is express or implied). If employees are unwilling to agree to accept proposed changes the only current “safe” way of making the change (from a contractual point of view at least) is to serve notice to dismiss them in accordance with their terms and conditions of employment, and offer to re-engage them on the new terms and conditions of employment when their notice periods expire. Remember that under the Bill the government is planning to remove the ability of employers to go down this route, except in very limited circumstances. This means there will be increased pressure on employers to reach agreement about any changes, which is likely to mean offering more incentives to do so. It would therefore be worth thinking now about what, if any, changes you may like to make, the timing of any such changes and the extent to which you can tie them into the next salary review/ promotion round, etc. In other words, think ahead in case you need to take action sooner rather than later.

4. Training

Once the new unfair dismissal provisions come into force, it will be more important than ever that your managers are confident when recruiting and dismissing staff. Do you need to upskill your managers in any areas? For example, do they currently manage performance effectively, or are there some areas of weakness? Do you have the budget for any upskilling training – where will this come from and what might need to be changed to allow it to happen? Also think about the training that your HR, people and compliance managers will need to be able to understand the reforms and implement them in your business, as well as support any necessary changes in workplace culture.

On that note, it may be helpful to look back at any recent claims against the business to see if there are any learnings you can take from these. What are the most common mistakes made by managers and how can these be avoided going forward? Are there any issues with your policies/procedures/systems that need tightening up? Similarly, are there any learnings that can be gleaned from any grievances/whistleblowing complaints that have been brought? If so, what steps, if any, could be put in place to address these? Carrying out such an exercise should help you identify any training needs/changes in workplace culture that may be required. Such training can take time to pull together, so it would be advisable to start thinking about this now so it can be rolled out over the next 12-18 months.

Also think about such things as the typical length of service at your company. Do you have a lot of staff who are dismissed within the first two years of employment? The risk of their bringing a claim at the moment may be slim, but this is likely to change once the Day One unfair dismissal provisions come into force. Are there any steps you can take to address this, e.g. do your managers need more training and support to ensure they are recruiting the best candidates? This is an opportunity to take a closer look at your current working arrangements and whether they are fit for the new future world of work.

5. Other Points to Consider

In terms of some of the specific changes that will be introduced by the Employment Rights Bill, other key issues to consider (in no particular order) include:

- (a) Zero hours workers** – Do you engage zero hours workers and/or workers on low minimum hours? The changes in the Employment Rights Bill will give such workers the right to guaranteed hours in certain circumstances, as well as reasonable notice of shifts, payments for shifts that are cancelled, moved or curtailed at short notice, etc. How many such workers do you engage? Do you only use them to fill short-term labour gaps, or are you routinely using them and do they regularly work the same hours? If so, do you need to be investing more in workforce planning to reduce the scope for this happening? How often do you have to cancel, move or curtail shifts at short notice? Can this be tightened up? Do you have systems in place that would enable you to comply with the notice requirements for shifts, cancellations and track individual reference periods, etc? These are the sort of questions you should be thinking about. We would recommend auditing your current working arrangements to understand any patterns of work and the potential impact of these changes, as well as whether you need to invest more in workforce planning, etc. to minimise the impact of these changes.
- (b)** Similarly, if you are an end-user hirer, be aware that the above provisions will be extended to qualifying agency workers. You will then be under an obligation to make guaranteed hours offers to such workers in certain circumstances. Carrying out a similar review should help you determine the likely impact of these changes, and whether you need to re-think such staffing arrangements.
- (c) SSP** – With the Bill removing the current three-day waiting period and removing the Lower Earnings Limit that applies to SSP, employers should review their current absence levels to assess the likely financial impact of the changes to SSP. Are there steps you can take to reduce sickness absence levels in your business, especially short-term sickness absence that can be very disruptive – and now potentially more expensive? Ensure you budget for the likely increased costs associated with this extension of eligibility for SSP. Do you want to consider making changes to your company sick pay offering to mitigate any of this increase? The changes to SSP will require changes to sickness absence policies and procedures, payroll systems and possibly contracts too, but this will be something to think about as we approach April 2026, being the anticipated implementation date.
- (d) Trade unions** – Those employers with a unionised workforce should review their current dealings with trade unions in their workplace. If your current working relationship is not as effective or as smooth as it could be, is now the time to try and create a new partnership with your trade unions? Even those businesses that do not currently have trade unions may be affected by these proposals, as some of the changes might mean that trade unions seek to recruit, etc. in their workplace, and this would be significant if you do not have experience of dealing with trade unions. Do you need to think about upskilling your HR/employee relations teams to help them deal effectively in negotiations/discussions with trade unions?
- (e) Gender pay gap action plans** – There will be a new statutory obligation to produce equality plans related to gender equality (including gender pay gap and menopause) for large employers. If you do not currently produce such action plans, you will need to think about how you are going to explain your figures and what steps you are taking to address any gaps. The government's implementation timetable states that voluntary reporting will be introduced as soon as April 2026, with compulsory action plans coming into force in 2027.
- (f) Holidays and holiday pay** – There will be a new statutory obligation to keep "adequate" records to show compliance with obligations to provide statutory holiday and holiday pay to workers. Review current recordkeeping obligations to see if these will need to be extended to ensure compliance.



Need Help?

We can support you in relation to all aspects of your preparation for implementation of the Employment Rights Bill. If you would like to discuss the implications of the Bill for your business, please speak to your usual Squire Patton Boggs contact or one of the following partners in the first instance.



Charles Frost

Partner, Birmingham
T +44 121 222 3224
E charlie.frost@squirepb.com



Miriam Lampert

Partner, London
T +44 207 655 1371
E miriam.lampert@squirepb.com



Matthew Lewis

Partner, Leeds
T +44 113 284 7525
E matthew.lewis@squirepb.com



Janette Lucas

Partner, London
T +44 207 655 1553
E janette.lucas@squirepb.com



Annabel Mace

Partner, London
T +44 207 655 1487
E annabel.mace@squirepb.com



Ramez Moussa

Partner, Birmingham
T +44 121 222 3346
E ramez.moussa@squirepb.com



Caroline Noblet

Partner, London
T +44 207 655 1473
E caroline.noblet@squirepb.com



James Pike

Partner, Manchester
T +44 161 830 5084
E james.pike@squirepb.com



Andrew Stones

Partner, Leeds
T +44 113 284 7375
E andrew.stones@squirepb.com



Alison Treliving

Partner, Manchester
T +44 161 830 5327
E alison.treliving@squirepb.com



David Whincup

Partner, London
T +44 207 655 1132
E david.whincup@squirepb.com



This note sets out the position in England and Wales. Changes in Scotland and Northern Ireland may differ.

