

EMPLOYMENT NEWSLETTER

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Changes for 2026 and beyond....

The Employment Rights Act 2025, is being implemented with changes coming into force over a phased implementation period of 2 years.

These changes started to come into force this year 2026, with the remainder being introduced in 2027.

Some of the changes will simply amend the rights afforded to employees whilst

some of the changes impose new legislation. Please be aware that many of the provisions to be implemented are still going through a consultation process.

The question is, what do you need to do to prepare your business for the upcoming changes coming into force?

Six months unfair dismissal rights

January 2027 Change

One of the biggest changes we will see is the right to bring an unfair dismissal claim after six months service.



The Employment Rights Act 1996 put in place a qualifying period to bring an unfair dismissal claim at one year. In April 2012, this changed the requirement, and it increased from one year to two years continuous service for new employees.

As from January 2027, this will change to six months service. The exact date has yet to be confirmed, but we anticipate this will be the 1st January 2027.

There are certain types of dismissal that do not require any minimum period of continuous service (often referred to as "day-one rights" or automatically unfair reasons), including:

- **Discrimination** based on protected characteristics under the Equality Act 2010
- **Whistleblowing** making a protected disclosure
- **Pregnancy** and maternity or family-related leave
- **Health and safety** cases

Probationary Periods

Following the introduction of the six-month time limit to bring an unfair dismissal claim, probationary periods are going to be more important than ever before.

Businesses will need to look at their contracts of employment and make a decision as to the length of their probationary periods.

It is common for current contracts of employment to have a six-month probationary, with the option to increase by a further three months. This will need to be changed.

It is our recommendation that probationary periods are changed to either three months with the option to increase by one month or four months with the option to increase by one month.

A note will need to be diarised of the employee's probationary period to ensure that the deadline is not missed.

When terminating employment, the statutory one week's notice will be added on to the termination date. This may bring the employee over the six months threshold. It is therefore our advice, that an employee who will fail probation, should be done before five and a half months service.

Action you should take:

- Review your probationary period in your contracts
- Undertake regular probationary review meetings take place
- Ensure that managers are aware of their importance

Trade Unions

The Trade Unions (Right to Access Workplaces) Regulations 2026 was due to be implemented on the 30th October 2026, but this will now take effect in January 2027.

This will impose a new duty on employers to provide their workers with a written statement informing them of their right to join a trade union. We are still waiting to find out what the wording must say, as this is still under consultation. We are also waiting to find out the frequency the workers must be reminded, but it is anticipated that this will need to be done annually by the 5th April each year.

There will be three stages:

Stage 1: Information

Employers will have to tell every worker, in writing, that they have the right to join a trade union.

Stage 2: Access to Workplaces

Unions will get a legal right to access your workplace. Physically and digitally, to recruit and organise, whether or not they have a single member already there.

Stage 3: Union Recognition

With sufficient membership and following a vote, the union can force you to the bargaining table over pay, hours and holidays.

Fair Work Agency

From 7 April 2026, the Fair Work Agency (“FWA”) was created to enforce employment law. The FWA is able to investigate and take action against businesses that do not comply with the law. The FWA is able to:

- Inspect workplaces and require employers to produce relevant documents and evidence that they are complying with employment law (i.e. contracts, staff handbooks, wage documents).
- If it is found that workers are underpaid, they will be able issue Notices requiring an employer to pay workers what they are owed and pay a penalty to the Government.
- The FWA will have the power to bring proceedings in the employment tribunal on a worker’s behalf and offer legal advice/assistance.
- They will be able to make orders, requiring employers to correct behaviours. Failure to do so can result in a fine or imprisonment.

At present, the FWA investigate NWM.

From 2027 they have the authority to investigate holiday pay and SSP.

The FWA have the right to enter premises, seize documents and speak to workers without giving the employer any notice.

The FWA are in the process of creating an app where workers can upload their pay slips.

The FWA can bring a claim without the employee’s agreement.

Action you should take:

- Ensure that you are compliant with NWM, holidays and SSP
- Retain all records for a minimum of six years

Harassment

Since the 1st October 2026, employers are now required to take **all** reasonable steps to prevent harassment of their employees.

Employers are also liable for harassment from third parties. This means that an employer is required to take all reasonable steps to prevent harassment from customers, clients and suppliers, just to name a few examples.

Employers must carry out a risk assessment that is specific to their sector. Training needs to be provided to its staff and management. Reporting channels must be established. Escalation and removal protocols need to be instigated and communicated to staff. Incident logging and post incident reviews should be undertaken. A named senior manager needs to be decided who will take ownership with monitoring and evaluation.

Employment Tribunal Time Limits

As of the 1st October 2026, the deadline for bringing most employment tribunal claims has doubled from three months to six months.

The claims that are covered in this extension are: unfair dismissal, discrimination, detriments, wages, working time, TUPE.

Equal pay and statutory redundancy payment claims were already at six months and there is no extension to these.

Claimants have to enter into ACAS early conciliation which “stops the clock” for up to twelve weeks. This means that limitation to bring a claim can be nine months from dismissal/discriminatory act.

The Tribunals are extremely backlogged at the moment, which means it could be over a year from date of termination/discriminatory act, before we receive the ET1 (claim form).

Unfair Dismissal Awards

If a Claimant is successful in their unfair dismissal claim, they will be awarded a basic award and a compensatory award.

The compensatory award is capped at the lower of £123,543 (as at 2026/2027) or 52 weeks' pay.

However, from the 1st January 2027, the cap on the compensatory award will be abolished.

Dismissal and re-engagement

Alternatively known as, fire and re-hire.

The law is designed to make it more difficult to dismiss an employee and offer re-engagement on new terms from 1 January 2027.

The Act does not prevent employers from seeking contractual change through consultation and agreement.

Where a dismissal is carried out for the purpose of imposing a restricted variation it will be treated as an automatically unfair dismissal. A restricted variation will be pay, pensions, working hours and statutory holiday entitlement.

Employers will be able to put forward a statutory defence where dismissal is genuinely unavoidable due to severe financial distress. The purpose of this defence is that it can only be applied in exceptional circumstances, please note that the defence is unlikely to apply where employers are attempting to save costs, protect margins etc.

A New Code of Practice is to be introduced.

Flexible Working

From 2027, employers are required to act reasonably when refusing a flexible working request.

Employers will also be required to set out in writing the ground for refusal and explain why they believe their refusal is reasonable. It is good practice and we encourage our retainer clients to do this now, before it becomes a legal requirement.

ACAS will be updating their code of practice to reflect the new changes that employers need to comply with.

Protection for irregular workers

Several changes have been proposed to come into force in 2027, which will affect zero-hour workers, shift workers and agency staff.

- Workers will be entitled to more predictable shifts.
- If a worker is working regular hours over a set reference period (anticipated to be 12-weeks) a worker will have the right to be offered guaranteed hours reflecting their pattern of work..
- Workers will be entitled to reasonable notice of shifts, including if a shift is moved or cancelled.
- A worker will also be entitled to compensation if a shift is cancelled, moved or curtailed at short notice.
- Agency workers to have the same rights as zero hours workers.

A lot of these expected changes will be subject to secondary legislation and will set out how these proposals will work in practice.

Enhanced protection for taking family leave

- An employee will be entitled to bereavement leave from day-one of employment and the right to at least one-week unpaid bereavement leave will also be extended to pregnancy loss before 24 weeks. The final details are yet to be confirmed.
- In addition to this, pregnant women and new mothers will have enhanced protections against dismissal. Again, the final details are yet to be confirmed.

Don't Panic

Whilst there are a lot of changes coming into force in 2027, there is no need to panic, or get drawn into the panic being created by the likes of LinkedIn.

The first thing we would advise you do is review your current policies and procedures:

- Family leave and parental policies;
- Sickness absence and SSP policies;
- Probation, performance and dismissal procedures;
- Bullying and harassment at work policies;
- Flexible working arrangements; and
- Redundancy and consultation processes.

Any changes that are being made, communicate WITH your employee, explain what is changing and when.

If you have any questions or concerns, please do not hesitate to contact us.

STATUTORY RATES 2026/27

Minimum Living Wage		
Age	April 2025/26	From April 2026/27
21+	£12.21	£12.71
18 – 20	£10.00	£10.85
16 – 17	£7.55	£8.00
Apprentices <i>(aged under 19 and or aged over 19 in first year of their apprenticeship)</i>	£7.55	£8.00
Accommodation offset limit <i>(maximum daily deduction from NMW)</i>		£11.10
Compensation Limits and Awards		
		Maximum Award
Low Earnings Limit (per week)		£129
Limit on a week's pay		£751
Maximum Basic Award (Unfair Dismissal 'UD')		£22,530
Compensatory Award (UD)		£123,543*
Additional award 26 – 52 weeks' pay (refusal to re-engage)		£19,526 - £39,052
Maximum Redundancy Payment		£22,530
Refusal of the right to be accompanied		Up to 2 weeks' pay
Breach of Contract Claims in a Tribunal		£25,000
Failure to provide written particulars		Up to 4 weeks' pay
Statutory Guarantee Pay		£41 daily rate
Breach of flexible working regulations		8 weeks' pay <i>(Limit on a week's pay)</i>
Failure to inform or consult in respect of a redundancy		180 days' pay <i>(gross)</i>
Failure to inform or consult in respect of a business transfer		13 weeks' pay <i>(gross)</i>
Failure to have a written tips policy, or for failure to allocate and pay tips fairly		£5,366
*£123 543 or 52 weeks' pay whichever is lower		

Leave Entitlements		
Right	Max. Period	Payment
Statutory Maternity Leave	52 weeks	See below
Statutory Maternity Pay (SMP)	33 weeks	£194.32 or 90% of normal weekly earnings, whichever is lower
SMP (Higher rate)	6 weeks	90% of normal weekly earnings
SMP (Basic Rate)	33 weeks	£194.32 per week (p/w)
Statutory Paternity Leave	1 or 2 weeks	See below
Statutory Paternity Pay (SPP)	1 or 2 weeks	£194.32 or 90% of normal weekly earnings, whichever is lower
Statutory Adoption Leave	52 weeks	See below
Statutory Adoption Pay ((SAP) Higher Rate)	6 weeks	90% of normal weekly earnings
SAP (Basic Rate)	33 weeks	£194.32 or 90% of normal weekly earnings, whichever is lower
Shared Parental Leave	52 weeks	See below
Shared Parental Pay (ShAPP)	39 weeks*	£194.32 or 90% of normal weekly earnings, whichever is lower
Statutory Parental Bereavement Leave	2 weeks	See below
Statutory Parental Bereavement Pay (SPBP)	2 weeks	£194.32 or 90% of normal weekly earnings, whichever is lower
Parental Leave**	18 weeks	Unpaid
*is dependent on the leave which has been taken by their partner SMP/SAP		
**available to some working parents in addition to SMP, SPP, SAP and ShPP leave can be taken up until a child's 18 th birthday.		
Statutory Sick Pay		
SSP	28 weeks*	£123.25
*Entitled from the first full day of sickness absence		

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