



Employment Rights Act 2025 Made Simple: Your 2026 Action Plan

Date: 27th February 2026

Run Time: Approximately 30 minutes

This session will start shortly (14:30)

The detail contained within this webinar is based on GB & Northern Ireland employment legislation.

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Hard hitting reality

- 2026 is going to be a busy year for employment law changes
- Changes will affect over 28 areas of employee management
- 173 separate pieces of law to be written/amended
- Laws will be spread over next 2 years
- Vast majority of changes will affect every employer in the UK regardless of size

The biggest changes

- Statutory sick pay expansion – April 2026
- Family Leave/Payments – 6th April 2026
- Introduction of Fair Work Agency – April 2026
- Requirement to inform of right to join a union – October 2026
- Increased harassment obligations – October 2026
- Unfair dismissal protection – 1 January 2027
- More red tape on flexible working refusals – 2027

Statutory sick pay extension – April 2026

- All employees to get SSP from day one
- Paid at the lower of 80% of wage or standard rate (will be £123.25 per week from April 2026)
- Example: Currently, employee earning £100 a week gets no SSP. From April 2026, they will get £80 SSP per week
- Example: Currently, employee is paid SSP from day 4 of absence. From April 2026, payment is from day 1 of absence

Statutory Sick Pay – transitional arrangements

- DWP has released guidance on average earnings, SSP payments and managing the transition to the new SSP rules:
- 80% of usual earnings will be calculated on a worker's average weekly earnings over an eight-week reference period
- any 80% payments will be rounded up to the nearest penny
- for linked periods of absence, earnings from the initial period to be used
- Those earning between the LEL and £154.05 per week and already on SSP before 6 April 2026 will continue to receive the flat rate

Statutory sick pay – what you need to do

- Get/review sickness absence policy
- Get/review absence management process and get tough on preventing absence
- Key elements of good absence management process:
 - Notification
 - Recording
 - Monitoring
 - Return to work interviews

Family Leave Payments

- Statutory family related leave pay proposed to increase from £187.18 to £194.32 p/week
- Lower earnings limit proposed to increase from £125 to £129 p/week
- Statutory Shared Parental Pay (ShPP)
- Statutory Maternity Pay (SMP)
- Statutory Adoption Pay (SAP)
- Statutory Paternity Pay (SPP)
- Statutory Parental Bereavement Pay (SPBP)
- Statutory Neonatal Care Pay

Paternity and Parental Leave

- Day-one right to paternity leave (currently need 26 weeks' service counted at 15th week before expected week of childbirth) – 6th April 2026
- Day-one right to unpaid parental leave (currently need one years' service) – 6th April 2026
- Legal right to take time off for bereavement leave including for pregnancy loss before 24 weeks – 2027
- Note: for paternity leave this only applies to the leave element, not statutory pay

Family Leave – What you need to do

- Revise staff handbooks, contracts, and leave policies (paternity, shared parental, parental) to reflect day-one eligibility for leave and new SSP rules.
- Provide updated guidance to managers on new family leave entitlements
- Adjust Payroll for Higher Rates: From April 6, 2026

Trade union related changes – 18th February 2026

- Red tape around lawful strikes reduced – industrial action will be more easily achieved
- Protection against detriment for taking industrial action
- Protection against dismissal for taking industrial action
- Right of access to workplaces – process to be put in place to enable employers and trade unions to agree access arrangements
- Rights and protections for union representatives

Informing employees about joining a trade union – October 2026

- Legal requirement to provide statement to your employees explaining that they have a right to join a trade union
- Will have to include specific elements
- Legal requirement to re-issue statement to employees periodically
- Failure to provide = 2 or 4 weeks' pay

- What you need to do
- Create a statement according to specific criteria – Govt not yet decided on the content
- Ensure it's provided alongside contractual documentation
- Ensure it's provided periodically

Further Trade Union Changes

- Enhanced Trade Union right of access rights
- Extra rights and protections for Trade Union reps
- Protection from detriment for taking industrial action

Trade Union Changes – What you need to do

- Update onboarding documents
- Provide a written statement of union rights to all new joiners at the same time as their Section 1 statement (written particulars of employment).
- It is expected that the Government will lay out criteria for this statement, with guideline for the content and language to be included. (Yet to be confirmed)

Harassment – October 2026

- Employers will be liable for harassment against their staff by people they do not employ ie ‘third parties’
- This means it will be your fault, in the eyes of the law, if a third party harasses one of your employees
- You will be liable for compensation at employment tribunal
- Customers, clients, suppliers, contractors, members of the public
- Employers will have to take ‘all reasonable steps’ to prevent sexual harassment in the workplace – opposed to the current ‘reasonable steps’

Sexual Harassment Disclosures

- Allegations that sexual harassment has or is likely to occur that are in the public interest will qualify as a 'protected disclosure'
- Individuals making these allegations will therefore receive whistleblowing protections against dismissal or detriment

More changes to equality/harassment

- Gender Pay Gap action plans mandatory (organisations with 250+ employees only) – 2027
- Menopause action plans mandatory (organisations with 250+ employees only) – 2027

Equality/Harassment – What you need to do

- Conduct detailed risk assessments - identify specific "high-risk" areas, such as lone working, customer-facing roles, or workplace social events
- Establish active plans that address findings from your risk assessments.
- Review terms with clients and suppliers to include clear clauses regarding their duty to prevent harassment of your staff.
- Ensure Whistleblowing policies explicitly mention sexual harassment to give employees confidence that reporting such issues will protect them from retaliation.

Changes to enforcement – Fair Work Agency

- Fair Work Agency established. It will be able to:
- Raise tribunal claims on behalf of workers
- Provide legal support, assistance, or representation to workers in tribunal cases
- Issue notices of underpayments for under or unpaid statutory payments
- Require businesses to show evidence of compliance to employment law

More changes affecting enforcement

- The time-limit workers have to make a claim to an employment tribunal will increase to 6 months from 3 months– Oct 2026
- Tighter regulations on umbrella companies – Oct 2026
- Create structure for Fair Pay Agreements in the social care sector – Oct 2026

Fair Work Agency – What you need to do

- Conduct a thorough review of holiday pay calculations, especially for irregular-hours or zero-hours workers.
- Ensure compliance with new April 2026 statutory rates.
- Keep detailed pay and holiday records for six years.
- Prepare for Expanded Inspection Powers (FWA bringing tribunal proceeding OBO employees, enforcement officers will have the right to enter properties)

Fire & Rehire

- It will be automatically unfair to dismiss someone for failing to agree to a change of certain terms and conditions
- Unless:
- There is evidence of financial difficulties that were affecting, or were likely to affect, the viability of the business
- The changes were to eliminate, prevent, significantly reduce or significantly mitigate the effects of those financial difficulties; and
- The need to make the change in contractual terms was unavoidable

Fire & Rehire – What you need to do

- Review contracts for terms related to pay, pensions, working hours, and time off. Dismissing an employee for refusing changes to these specific terms will be automatically unfair.
- Be aware that including a new clause that allows you to unilaterally change these "restricted" terms without consent will also be treated as a restricted variation.

Unfair dismissal – 1 January 2027

- Current position: employees must wait for two years before they are protected against unfair dismissal
- Employment Rights Act 2025: employees will only have to wait for six months
- Retrospective effect - This means anyone who has 6 months' service by 1 January 2026 is covered
- This affects your current employees

New unfair dismissal rules: illustration

- Employee started with you on 1 November 2025
- They will be protected from 1 January 2027 - they get protection after 14 months
- Employee starts with you on 1 July 2026
- They will be protected from 1 January 2027 - they get protection after 6 months
- Employee starts with you on 1 January 2027
- They will be protected from 1 July 2027

Unfair dismissal – what you need to do

- Re-think recruitment
- Be more confident you're getting the right person through the door
- Re-write contracts
- Six-month probation periods are too long
- Toughen up probation process
- Be sure you've tested the employee enough and do not delay review process
- Re-think retention strategies
- Unhappy employees may be less cautious to leave knowing they will get protection after only 6 months

More changes affecting dismissal

- Unfair dismissal compensation will be **unlimited**
- Changing employee contractual terms by “**fire and re-hire**” will get harder with more risk of unfair dismissal – October 2026
- **Pregnant employees, new mothers and employees involved in industrial action** will have more protection against dismissal – 2027
- Enhanced redundancy rules **will apply to more redundancy exercises** and **compensation for failure to comply will increase** - October 2026/2027

Flexible working procedure - 2027

Two additional elements will be added to the procedure:

- Currently, employers cannot refuse a request without consulting with the employee. The Act will establish specific steps to follow to fulfil 'consultation' requirement
- Employers must explain why it was reasonable to refuse a request

Important: can still refuse a request based on the eight prescribed reasons. This is not changing

More changes affecting contracts

Zero hours overhaul - 2027

- Must be offered guaranteed hours contract if working regular hours
- Must be given reasonable notice of shift changes
- Must be compensated for short notice shift changes

- **Non-disclosure agreements** cannot cover harassment or discrimination
- Employers must consult staff about tips policies (hospitality) – October 2026

In Summary

- Review all Sickness & Family Leave policies; "Day 1" rights for SSP and Paternity/Parental leave arrive April 2026.
- Update Section 1 Statements to include mandatory Trade Union rights notifications by October 2026.
- Move from "Reasonable" to "All Reasonable Steps" to prevent sexual harassment; include third-party risks (clients/contractors).
- Update Whistleblowing policies to explicitly protect harassment disclosures.
- Prepare for the 6-month Unfair Dismissal threshold (effective January 2027).
- Shorten contractual probations to 3–4 months to allow a "decision buffer" before legal protections kick in.
- The Fair Work Agency brings proactive inspections and 6-month Tribunal time limits.
- Digitise and retain accurate payroll and holiday records for a minimum of 6 years.
- Eliminate "Fire and Rehire" strategies for pay/hours; focus on meaningful consultation.
- Standardise your Flexible Working refusal process to meet the new "Reasonableness" test.

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Next Session

**Employment Rights Act Made Simple: Business Owner's
FAQs**

18th March 2026 @ 14:30pm





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Thank you!

Any questions



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