

SHOOSMITHS

Employment Rights Bill



FOR
WHAT
MATTERS

What do we know in July 2025?

The Bill was introduced into Parliament on 10 October 2024. It originally brought forward 28 employment law reforms. We have seen several amendments made to the initial draft and there is a clear need for regulations or codes of practice to set out further detail.

Key changes

Dismissal rights

- removal of the two-year qualifying period for unfair dismissal claims – but not until 2027
- light touch dismissal process during an initial period of employment (9 months?)
- increase to time limit for all types of employment tribunal claims to 6 months from October 2026.

Restructuring

- additional threshold test for collective consultation across entire workforce from 2027
- dismissal for seeking to, or a refusal to agree to, vary a contract will be automatically unfair save in very limited circumstances from October 2026
- increase in protective award for failing to follow a collective consultation process from 90 to 180 days from April 2026.

Discrimination

- duty on employers to take all reasonable steps to prevent sexual harassment and to take all reasonable steps to prevent harassment of staff by third parties from October 2026
- ban on dismissals during pregnancy or protected period (likely 6 months) from 2027
- employer to publish equality action plans from 2027.

Family rights

- qualifying periods for parental and paternity leave removed from April 2026
- new right to one week bereavement leave where a dependant dies from 2027
- employer to state grounds for refusing flexible working request and explain in writing why it is reasonable to refuse the request on those grounds from 2027.

Zero hours / low hours workers

- employer to make guaranteed hours offer to zero hours / low hours worker after the end of a set period
- employer give such a worker reasonable notice of cancellation of or change to a shift
- employer to pay a specified amount to such a worker each time the employer cancels, moves or curtails a shift at short notice
- these requirements will also apply to agency workers
- changes to come in from 2027.

Trade union rights

- significant changes to TU rights in terms of statutory recognition and industrial action throughout 2026
- employers to provide a written statement confirming employee's right to join a trade union
- TU's to be able to request an 'access to workplace agreement'.

Actions

1. assess the impact on your workforce – how many dismissals do you have in the first two years? First nine months? How many are redundancies? Any restructuring in the pipeline?
2. consider a standing body of elected representatives
3. comply with the current duty to take reasonable steps to prevent sexual harassment
4. identify which policies the changes to family leave will impact and prepare to update them
5. train managers on recruitment practices, performance management and handling flexible working requests
6. identify who across your workforce could be caught by the zero hours provisions.