

Employment Law Update

11 March 2026

What we will cover

1

What has changed since 18 December 2025?

2

What is changing from April 2026?

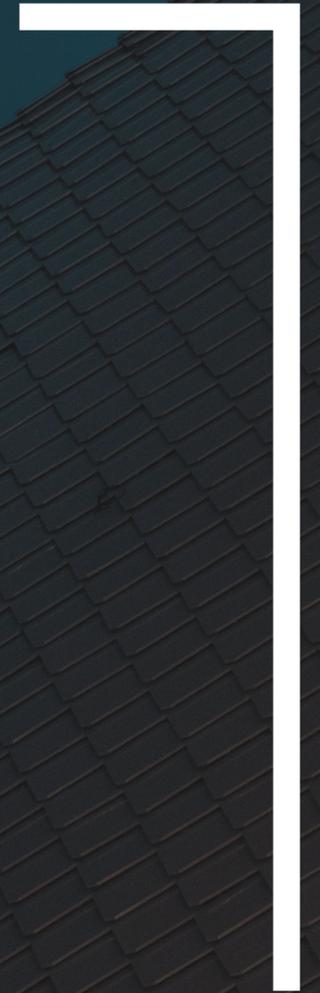
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What is changing later this year?

4

What is coming next year?

What has changed since 18
December 2025?



Employment Rights Act 2025

Repeal of Minimum Service Levels

- Strikes (Minimum Service Levels) Act 2023 repealed from 18 December 2025

Paternity Leave (Bereavement) Act 2024

- Brought into force on 29 December 2025
- Right to take two weeks' bereaved partner's paternity leave where the mother or adopter of a child dies in childbirth or within a year of birth or adoption
- No service requirement is needed
- Provides for a parent who has taken shared parental leave to then take paternity leave
- Future regulations will bring further provisions into force



Key trade union changes

18 February 2026

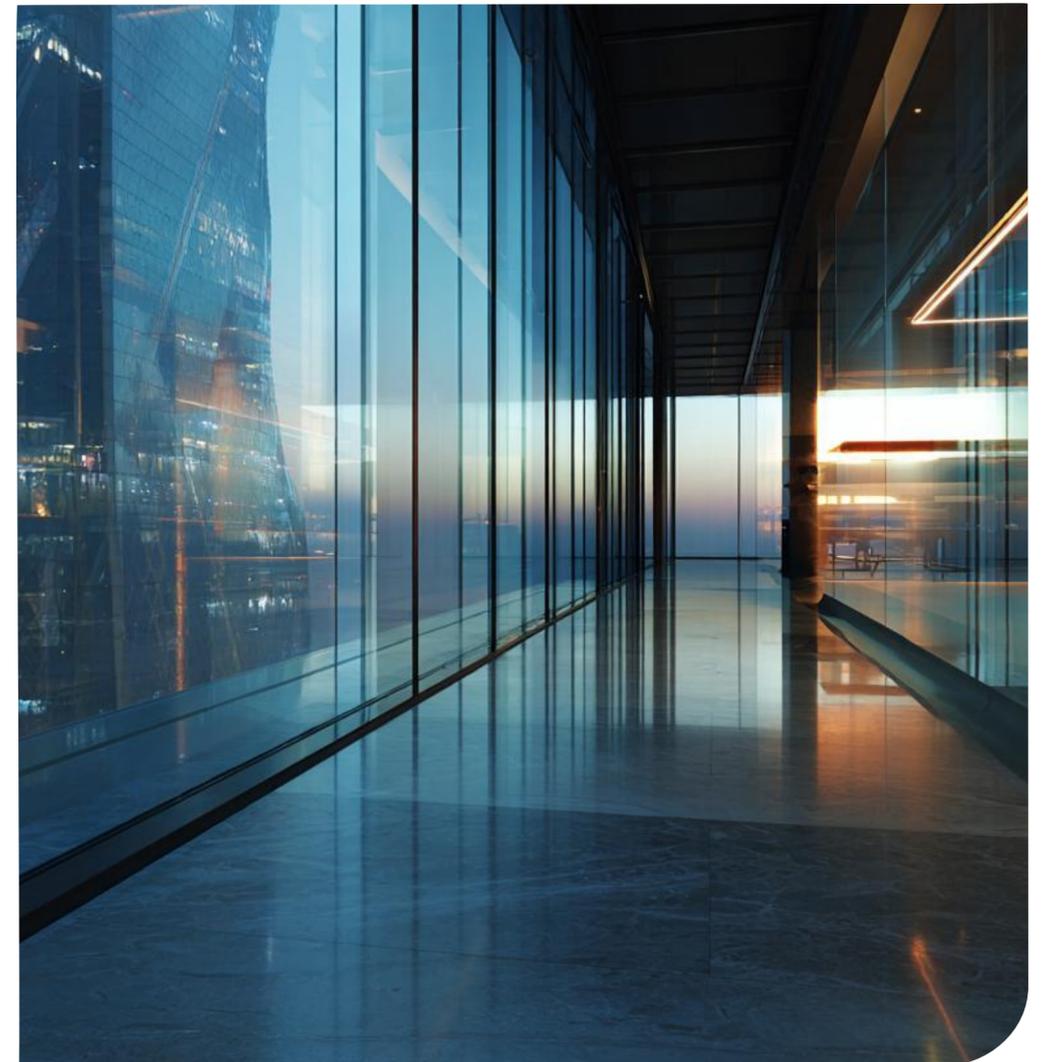
Old requirements

- Current requirement for information on the number of employees concerned in each category or workplace to be included on industrial action ballot papers and notices
- Notice of industrial action required to be given to employers was 14 days
- Mandate for taking industrial action used to last for 6 months
- Requirements on unions to ensure they are protected from certain liabilities in relation to supervising picketing
- Currently protection against dismissal for taking industrial action limited to 12 weeks

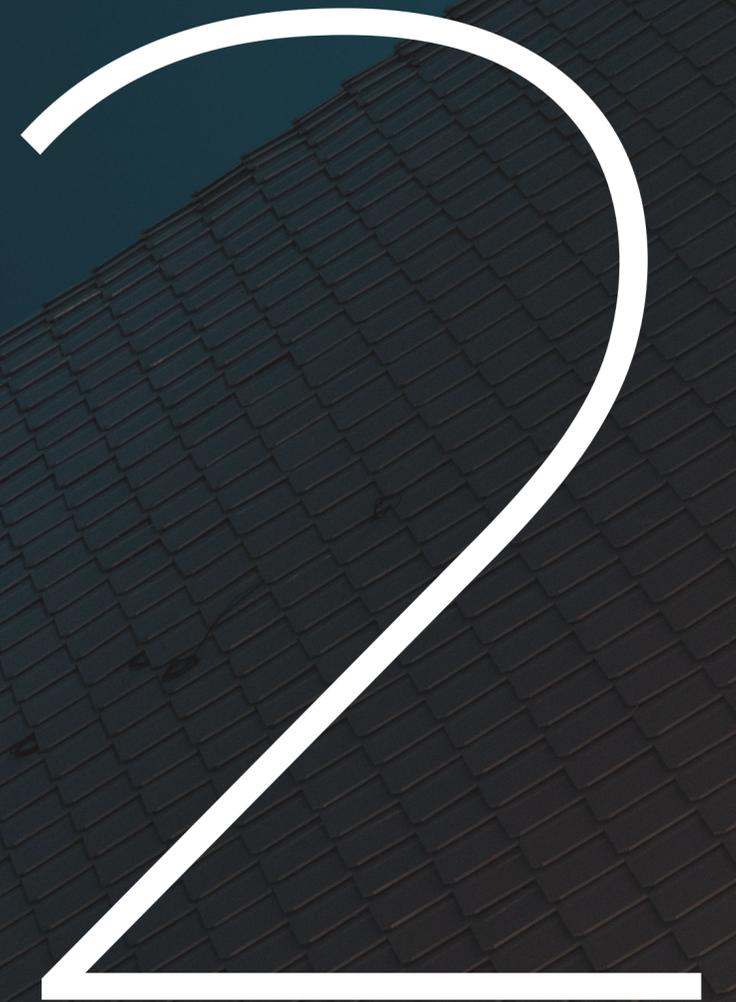
New requirements

- Removal of additional information requirements in relation to industrial action ballot papers and notices
- Notice of industrial action required to be given to employers now 10 days
- Mandate for taking industrial action now lasts for 12 months
- Restrictions on picketing removed
- Protection for employees against dismissal for taking protected industrial action extended for the length of strike action
- Removal of requirement for ballots of workers in important public services to have at least 40% of those entitled to vote, vote in favour of the action

NB: Updated Codes of Practice on Industrial action ballots and Picketing now available



What is changing from April
2026?

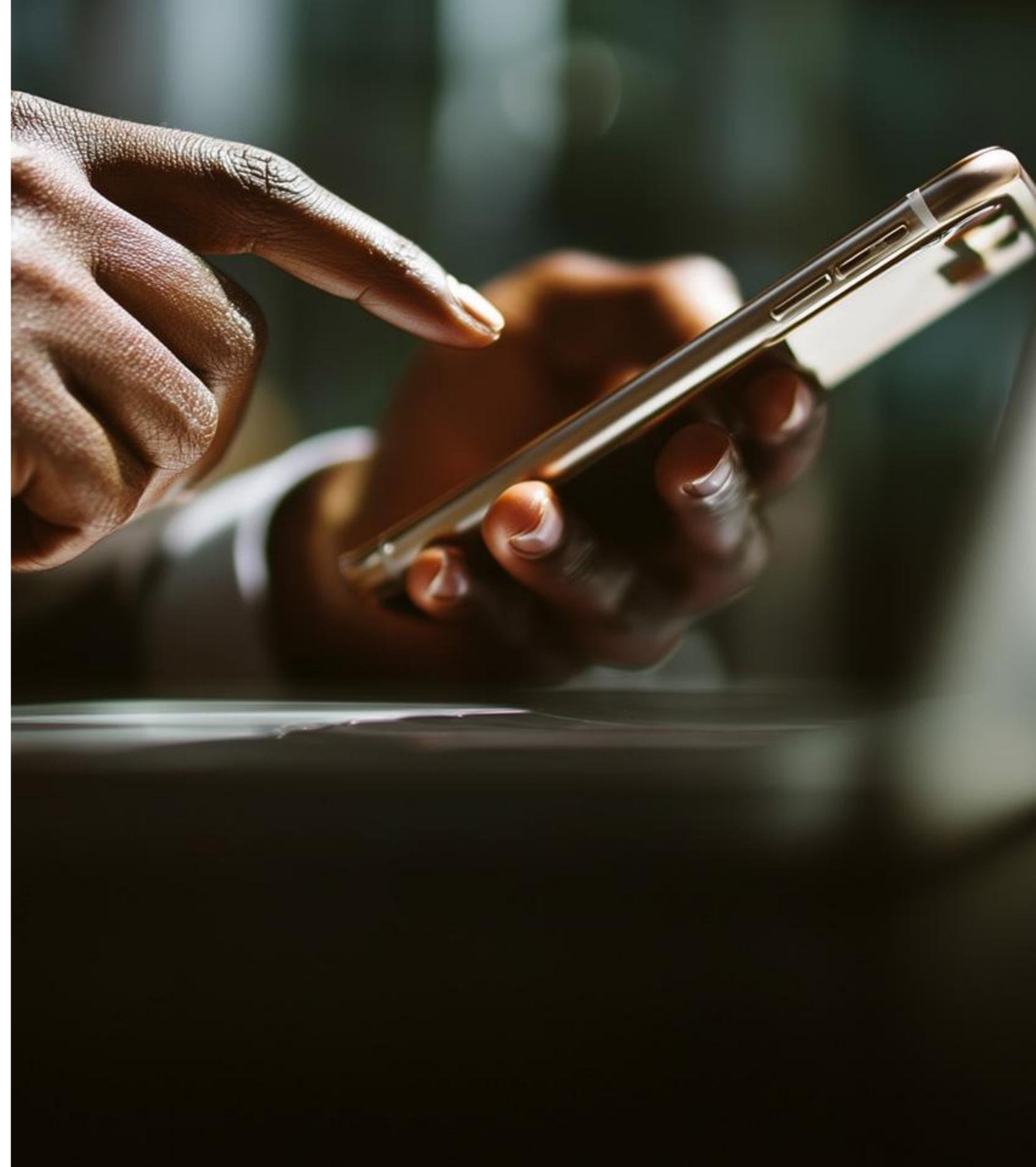


1 April 2026



National Minimum Wage increases

- Aged 21 and over: £12.71
- 18-20 year old rate: £10.85
- 16-17 year old rate: £8.00
- Apprentice rate: £8.00
- Accommodation offset: £11.10



Employment Rights Act 2025

6 April 2026

⊙ Increase to the protective award

- Penalty for failure to collectively consult will increase to 180 days
- Makes compliance with collective consultation obligations more critical

⊙ Changes to statutory sick pay

- Employees will have the right to SSP from the first day of sickness
- Lower earnings limit for SSP removed
- Weekly rate of SSP will be the lower of £118.75 and 80% of the employee's normal weekly earnings

⊙ Protected disclosures

- Disclosures relating to sexual harassment to be treated as protected disclosures for whistleblowing protection

⊙ Fair Work Agency

- Establishment of new enforcement body

Employment Rights Act 2025

6 April 2026

Parental leave

- Employees entitled to take parental leave from day one of employment

Paternity leave

- Employees entitled to take paternity leave from day one of employment
- Employees also allowed to take paternity leave after a period of shared parental leave

Gender equality action plans

- Voluntary publication of action plans on gender equality and supporting employees through the menopause



Employment Rights Act 2025

6 April 2026

Trade union changes

Simplification of the statutory recognition process

- Removal of requirement for union to show 10% of the bargaining unit are union members when applying to the CAC – replaced with ‘required percentage test’
- Removal of requirement for union to show the CAC likely to achieve majority in a recognition ballot
- A successful ballot to only require a simple majority vote in favour
- Extension of the prohibition on unfair practices to whole of the recognition or derecognition process
- Provision for binding access agreements by the union to workers during a recognition or derecognition process
- Prohibition on new recognition agreements with a non-independent union which aim to stop a recognition process from an independent union

NB: Introduction of electronic and workplace balloting to make it easier for members to vote no earlier than August 2026



Increases to statutory rates of pay 6 April 2026



Statutory sick pay

- Weekly rate of SSP will increase to £123.25

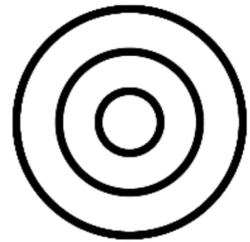


Statutory maternity pay, maternity allowance, statutory adoption pay, statutory paternity pay, statutory shared parental pay, statutory neonatal care pay and statutory parental bereavement pay

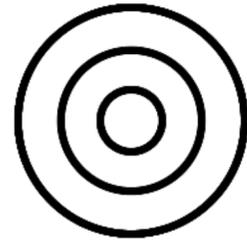
- Weekly rate will increase to £194.32
- Lower earnings limit will be £129
- Maternity allowance threshold remains at £30 a week



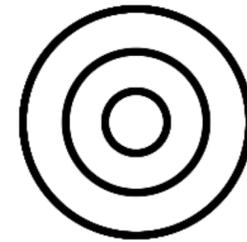
Key actions for employers



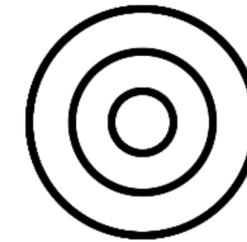
- Audit your workforce to assess the impact of the changes
- Audit use of temporary and agency workers



- Update payroll systems in line with new rates of pay
- Update policies and procedures
- Update template contracts and settlement agreements
- Communicate updates to workforce



- Train HR teams, payroll and managers

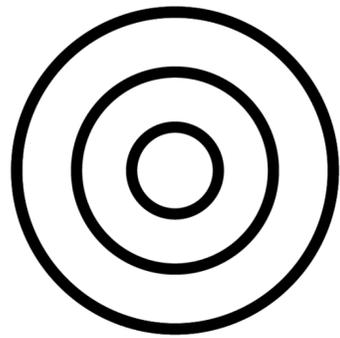


- Review levels of interest in union recognition
- Review your current union recognition agreement
- Consider establishing a standing body of elected representatives for consultation purposes

What is changing later this
year?

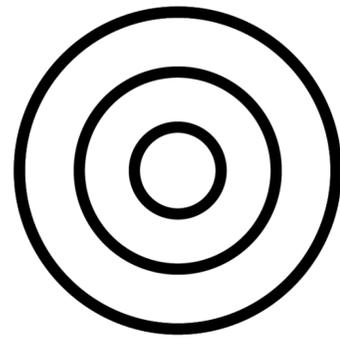
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Changes planned for 1 October 2026



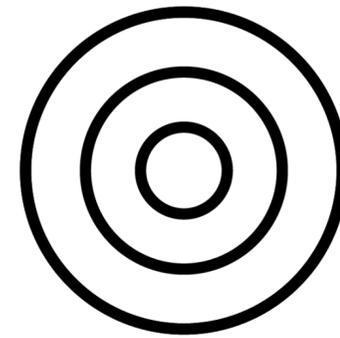
Procurement

- Reintroducing rules to prevent two tier workforces where public sector services are outsourced



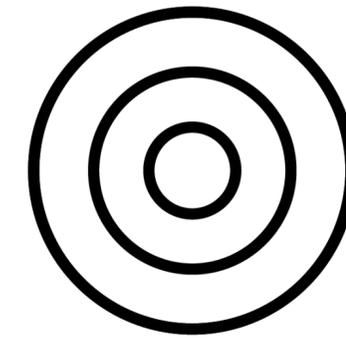
Right of access

- Trade unions to be given a right of access to workplaces both physically and digitally



Right to join a TU

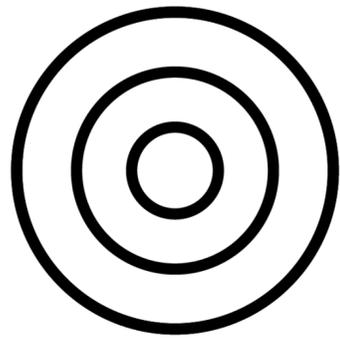
- Employers to provide a written statement confirming an employee's right to join a trade union at the start of employment and then at regular intervals



TU representatives

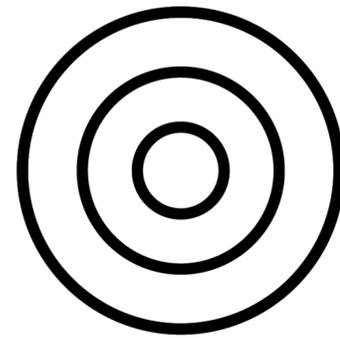
- New protections for trade union representatives and members including provision of facilities, reasonable paid time off and new role of equality representative
- Protection for employees against detriment to deter them from, or penalise them for, taking protected industrial action

Changes planned for 1 October 2026



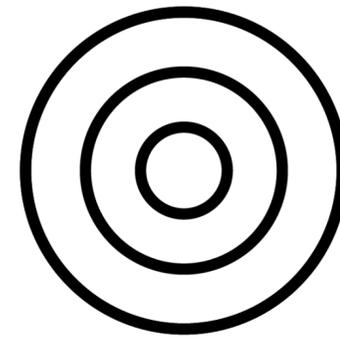
Sexual harassment & third party harassment

- Duty extended so employers have to take all reasonable steps to prevent sexual harassment of employees
- New duty on employers to take all reasonable steps to prevent third-party harassment of employees



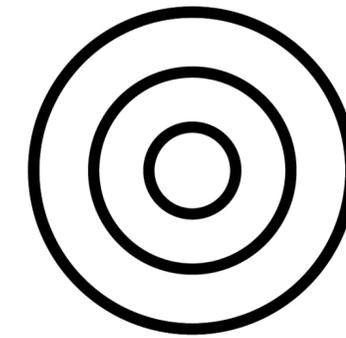
Tips

- New consultation requirement before introducing a tips policy and then every three years
- Provision of anonymized summary of the consultation to all workers



Non-disclosure agreements

- New restrictions on use of non-disclosure clauses to prevent a worker from making allegations or disclosures about harassment or discrimination



ET claims (NB No earlier than October 2026)

- Extension of the time limit for bringing most claims in the employment tribunal to 6 months

What is coming next year?





Employment Rights Act 2025

⊙ Unfair dismissal

- Reduction in the qualifying period for unfair dismissal claims to 6 months
- Removal of the cap on the compensatory award
- 1 January 2027

⊙ Fire and re-hire

- Restrictions on an employer's ability to make a restricted variation to an employee's contract of employment where the employee does not consent to the variation
- 1 January 2027

⊙ Bereavement leave

- Entitlement to unpaid bereavement leave of at least one week
- Will sit alongside existing provision for parental bereavement leave

⊙ Dismissal during pregnancy / during & after family leave

- Enhanced protection against dismissal or redundancy



Employment Rights Act 2025

🎯 Changes to zero hour and low hour contracts

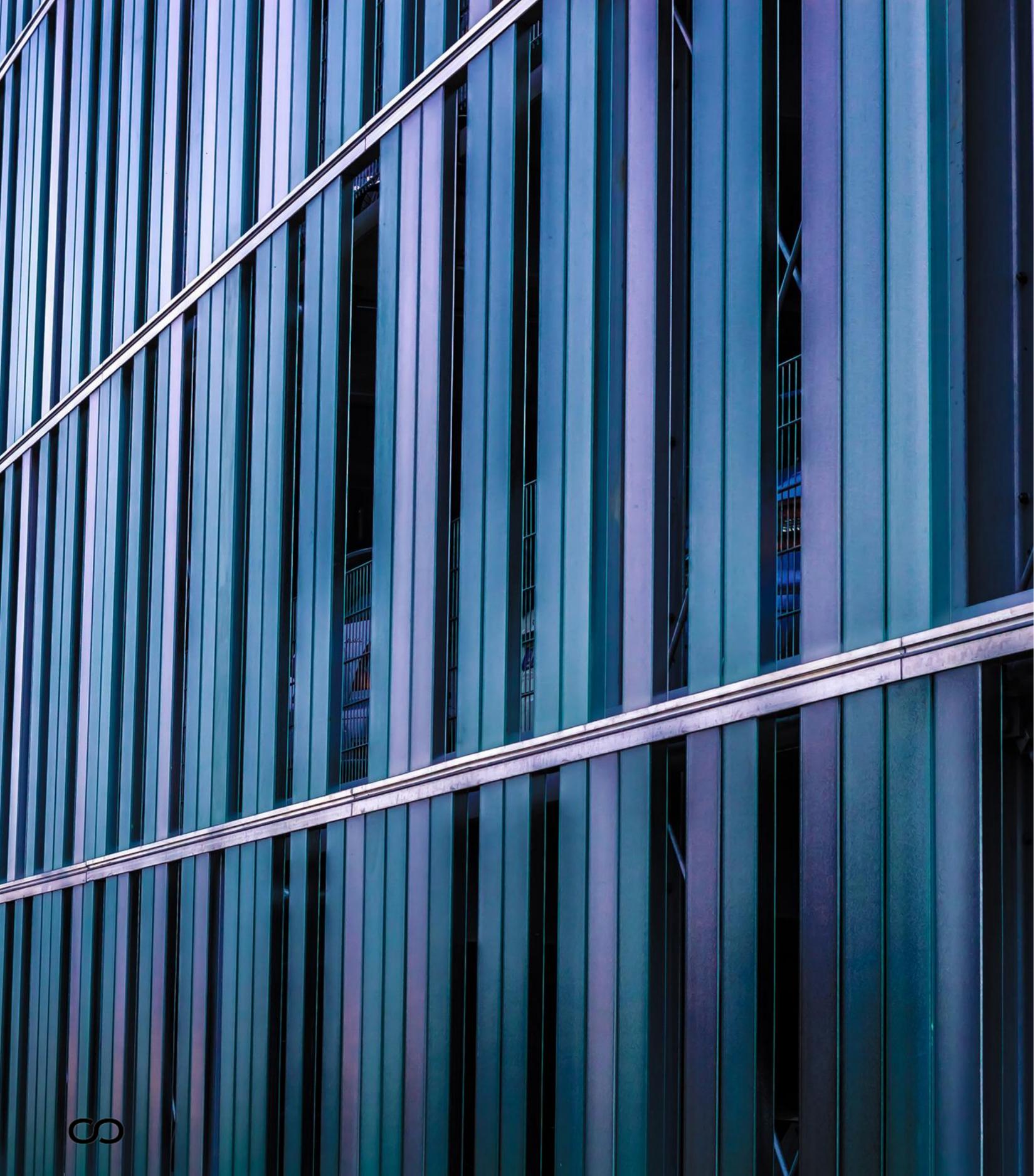
- Right to guaranteed hours offer
- Right to reasonable notice of shifts and changes to shifts
- Payments for cancelled, moved or curtailed shifts
- Contracting out by way of collective agreement

🎯 Collective consultation

- New trigger for collective consultation obligations based on redundancies across an entire organisation

🎯 Flexible working

- Requirement for any refusal of a request to work flexibly to be reasonable
- Employer to provide written explanation of basis for refusal and why it is reasonable in the circumstances



Employment Rights Act 2025

🎯 Equality action plans

- Mandatory requirement on large employers to publish equality action plan setting out steps adopted to address matters related to gender equality in the workforce together with prescribed information relating to the plan
- Includes addressing the gender pay gap and supporting employees going through the menopause

🎯 Information on outsourced workers

- Large employers to publish information about service providers they contract with for outsourced services



Other proposals

🎯 Employment rights for unpaid carers

- Government has published terms of reference for a review of employment rights for unpaid carers
- Review to be concluded by end of 2026

🎯 Reform of employment non-competes

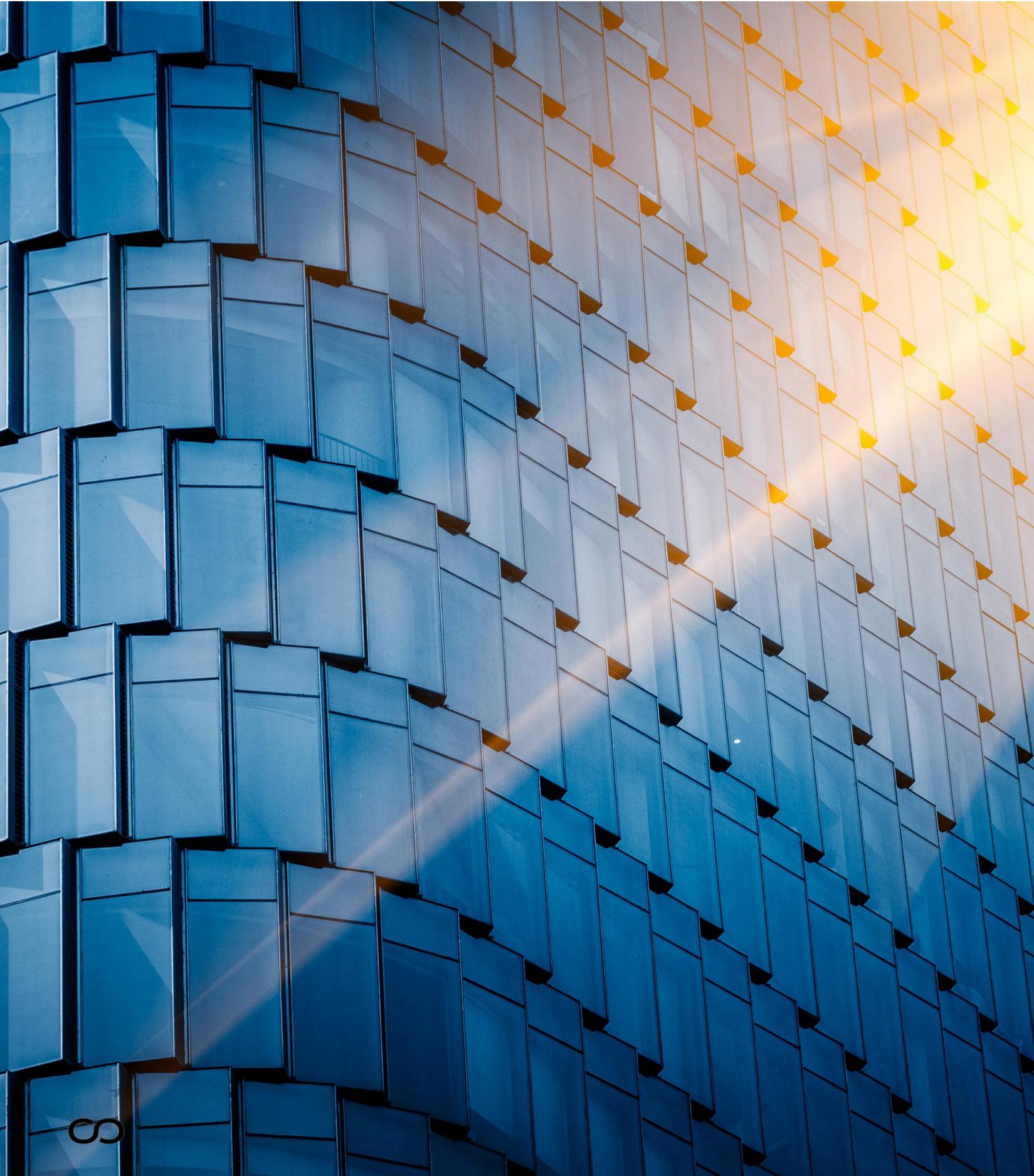
- Government has published a working paper on options for review of non-compete clauses in employment contracts
- Currently no timescale for implementation of changes

🎯 Mandatory disability and ethnicity pay gap reporting

- Consultation on options for introducing mandatory disability and ethnicity pay gap reporting issued last year
- Draft Equality (Race and Disability) Bill expected this year

Priorities for HR leaders – the
CIPD





Employment Rights Act 2025 (ERA) perceptions

Financial pressure

- Three-quarters of employers expect the ERA to increase their employment costs

Recruitment intentions

- 37% of employers plan to hire fewer permanent staff due to at least one of the Act's key reforms

Uncertainty

- Over half of employers anticipate an increase in workplace conflict and disputes because of at least one of the key ERA changes being introduced
- There is a proportion of employers (13–16% based on the individual measures) who say they don't know how the ERA measures will impact workplace conflict

Immediate actions to get ahead

Review the article:

How can HR practitioners stay ahead and prepare for 2026?

Scan the QR code to access this article



Specific actions on ERA changes can be found on the CIPD employment law tracker

Scan the QR code to access the tracker



Looking ahead

- Performance and ROI are a key focus for senior leaders, calling for people professionals to clearly demonstrate value and measurable impact. Use people data and analytics to inform decision-making and measure impact of HR initiatives and areas for improvement
- Remove people constraints that are slowing down growth and productivity (e.g. resistance to change, capability gaps, culture, morale and trust, governance and ethical issues)
- Build people management capability to manage performance, ensure legal compliance and support employee outcomes
- **Next article in the CIPD/ Shoosmiths series on “Future-Focused HR” launches on 25 March**

Connect with our speakers



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