

Employment Rights Act 2025

implications briefing

The Employment Rights Act 2025 received Royal Assent on 18th December 2025 therefore the changes included in the act will take place over the coming two years, with the majority of these changes happening in 2026 and 2027.

The key issues for Healthwatch to be aware of are as follows:-

April 2026

Sick Pay

These changes will happen in April 2026:-

- Statutory sick pay (SSP) will be paid from the first day of illness, instead of the fourth day
- The lower earnings limit will be removed, currently, workers must earn a minimum amount to be eligible for statutory sick pay. This is not relevant to Healthwatch staff.

Paternity leave and unpaid parental leave

Paternity leave will become a 'day one right', allowing someone to give notice of leave from the first day of employment - currently someone must have worked for their employer for 26 weeks.

OPL (Ordinary Paternity Leave) will also become a day one right, Currently someone must have worked for their employer for one year to be eligible.

The restriction on taking paternity leave after shared parental leave will be removed.

Collective Redundancy Changes

Not relevant as it only affects redundancy situations over 20 staff.

Gender Pay Gap and Menopause Action Plans

Employers will need to create action plans around the menopause and gender pay gap. These will be voluntary from April 2026 and mandatory at some point in 2027 date TBC.

Whistleblowing protection for sexual harassment

Under whistleblowing laws sexual harassment will become a 'qualifying disclosure'. This means protection from detriment and unfair dismissal for whistle blowers making a sexual harassment disclosure. This will change in April 2026.

Fair Work Agency

The Fair Work Agency will be established in April 2026, to -

- Bring together enforcement bodies
- Take on enforcement of other employment rights such as, holiday pay and statutory sick pay

OCTOBER 2026 CHANGES

- Dismissal and Rehire
- Dismissing someone then rehiring them on worse terms and conditions will become automatically unfair dismissal in most cases. This is sometimes known as 'fire and rehire'. This will change in October 2026. Not an issue for those organisations who work on good practice employment principles.

Harassment

These changes will happen in October 2026

- Employers will be liable for harassment from third parties, for example customers or clients, unless they have taken all reasonable steps to prevent it happening, this will apply to all types of harassment.
- Employers will next to take all reasonable steps to prevent sexual harassment, current law says reasonable steps.

A change to the laws around non-disclosure agreements (NDAs) is also expected. This will void clauses that prevent workers from alleging or disclosing work-related harassment or discrimination. The date of this change is not yet known.

EMPLOYMENT TRIBUNAL TIME LIMITS

The time limit for making a claim is set to increase from 3 months to 6 months for all claims. This will change in October 2026

IMPLICATIONS FOR HEALTHWATCH

With regard to forthcoming changes the following policies will need to be revisited and reviewed :-

Sick Pay Policy
Parental Leave Policy
Whistleblowing Policy

In addition Harassment, Maternity, Redundancy, Disciplinary

A new Gender Pay Gap and Action Plan will need to be established.

CHANGES EXPECTED IN 2027

Changes expected to be announced in 2027 are:-

Unfair dismissal, which will become a right after 6 months which is a change from the previously announced intention of the first day of work. It is likely that this will happen in January 2027.

Bereavement leave , there will be a right to this however there it is not yet known if this will be paid or unpaid, it is anticipated that this will be January 2027.

Zero Hours Contracts, to get the right to guaranteed working hours if they want them, will happen in 2027. No set date.

Flexible working

Amendment to flexible working that the employer will have to give a reason for rejecting a request. Will need to be genuine business reason, will need to state the reason, and

explain that they believe the refusal is reasonable. Basically making what is already good practice a legal requirement.

Increased Pregnancy and Maternity Rights

The Act will strengthen protection from dismissal for pregnant workers and those returning from maternity leave. This will happen in 2027.

Further harassment changes.

The law will specify what 'reasonable steps' means when preventing sexual harassment following earlier changes made in October 2026 in 2027.

Mandatory gender pay gap and menopause action plans

The voluntary plans will become mandatory.