

Factsheet: Employment Rights Act 2025 - Overview



Department for
Business & Trade

Overview

The Employment Rights Act 2025 is a key pillar of the government's Plan to Make Work Pay, which is aimed at growing the economy, boosting wages, and reducing insecure work. The Act was developed in close collaboration with business and trade unions and will help bring our employment rights legislation into the 21st century, extending modern protections to millions more workers.

What measures are contained within the Act?

The Act addresses **one-sided flexibility**, ensuring that jobs provide a baseline of security for workers by:

- Ending exploitative **zero hours contracts** by introducing rights to guaranteed hours, reasonable notice of shifts, and payments for short-notice cancellation of shifts, with corresponding rights for agency workers.
- Ending unscrupulous **'fire and rehire'** and **'fire and replace'** practices by considering dismissals for failing to agree to a change in certain core contractual terms as automatically unfair, except where businesses are in severe financial difficulties and genuinely have no alternative.
- Reducing the qualifying period of employment for the right to claim **unfair dismissal**, from two-years to six-months and ensuring the qualifying period can only be varied by primary legislation in future. The current cap on compensatory awards will also be removed.
- Strengthening **collective redundancy rights** by 1) ensuring obligations to collective consult and notify the government apply when: (a) employers propose 20 or more redundancies at one establishment or; (b) employers propose a number of redundancies across their entire organisation which meets a new threshold which will be set in secondary legislation and 2) doubling the maximum period of the protective award for failure to properly consult on collective redundancies, increasing the maximum period from 90 to 180 days' pay.
- Closing the **maritime redundancy notification loophole**, ensuring that operators providing regular services to British ports cannot avoid the collective redundancy notification requirement.

The Act ensures **workers get fair pay** for a fair day's work by:

- **Strengthening Statutory Sick Pay** by removing the Lower Earnings Limit and removing the waiting period.
- Establishing the School Support Staff Negotiating Body to ensure that all school support staff in England have a sector specific voice for pay, conditions, training and career progression, and will be entitled to the same statutory minimum terms. Providing for the establishment of a **Fair Pay Agreements** process in the adult social care sector in England and social care sectors in Scotland and Wales.
- **Strengthening** existing **tipping law** by requiring employers to consult with workers when developing or revising their tipping policies, increasing transparency, worker voice and accountability in how tips are handled.
- Re-introducing the **two-tier code** on workforce matters ensuring that employees from the private sector working on outsourced contracts will be offered terms and conditions broadly comparable to those transferred from the public sector.

- Allowing for the creation of a **mandatory Seafarers' Charter**, to protect the working conditions of seafarers aboard ships operating regular services from UK ports.
- Providing powers to maintain compliance with international law by staying up to date with **international maritime conventions**.

The Act supports **family friendly rights** by improving flexibility and security by:

- Making existing entitlements to **Paternity Leave and Unpaid Parental leave** available from 'Day 1' of employment.
- Enabling parents to take their paternity leave and pay after their shared parental leave and pay.
- Introducing a new right to unpaid **bereavement leave**, including unpaid **bereavement leave for pregnancy loss** (before 24 weeks), allowing employees to take leave from work to grieve the loss of a loved one.
- Introducing new **protections against dismissal for pregnant women**, mothers on Maternity Leave and mothers for at least six months after they return to work - except in specific circumstances.
- Strengthening the existing 'day-one' right to request **flexible working**, by introducing a clearer process for employers to follow when a request cannot be agreed, requiring employers to explain their rationale for denying a request and adding the requirement that a rejection of a request be reasonable.
- Undertaking a review of the duties people can take time off work to do under the Time Off for Public Duties legislation, with specific reference to Special Constables.

The Act prioritises **fairness, equality and wellbeing of workers** by:

- Strengthening the duty on employers to take 'reasonable steps' to **prevent sexual harassment** of their employees by requiring them to take 'all reasonable steps'.
- Introducing an obligation on employers to not permit **harassment of their employees by third parties**.
- Creating a power to enable regulations to specify steps that are to be regarded as 'reasonable', to determine whether an employer has taken all reasonable steps to prevent sexual harassment.
- Strengthening protections for **whistleblowers**, by making it clear that workers who 'blow the whistle' on sexual harassment can benefit from whistleblowing protections against detriment (adverse treatment) and unfair dismissal.
- Working with employers to **improve gender equality** by requiring large employers to produce action plans, setting out how they are addressing the gender pay gap and supporting employees through menopause. Voiding any provision in a **Non-Disclosure Agreement** between a worker and employer which seeks to stop a worker from speaking out about harassment and discrimination they have experienced.

The Act **modernises trade union legislation**, giving trade unions greater freedom to organise, represent and negotiate on behalf of their workers, by:

- Repealing the Strikes (Minimum Service Levels) Act 2023
- Repealing the great majority of the Trade Union Act 2016.
- Increasing the ballot mandate expiration date to 12-months and decreasing the notice period for industrial action to 10 days.
- Introducing a framework for trade unions to negotiate access to workplaces with employers, with the ability for the CAC to impose access where certain conditions are met.
- Simplifying trade union recognition process, including providing better access arrangements for unions and dealing more effectively with unfair practices.
- Introducing new rights and protections for trade unions representatives.
- Introducing a duty for employers to inform workers of their right to join a trade union.
- Broadening the scope of blacklisting protections which may be made in regulations.

- Simplifying the information required for industrial action notices.
- Providing protection from detriment and unfair dismissal on the grounds of industrial action.

Finally, the Act improves **enforcement** of employment rights by:

- Establishing the **Fair Work Agency (FWA)**, which will bring together the enforcement of domestic agency rules, the National Minimum Wage, licensing of gangmasters, and action against serious labour exploitation. It will also take on additional functions (such as the enforcement of holiday pay) and creates the flexibility to bring in additional legislation to respond to future challenges. The Act will give the FWA the tools it needs to do its job, including an expanded civil penalty regime, clear gateways for sharing information and the power to bring tribunal cases on behalf of workers. The Act also creates a strong governance framework – including an Advisory Board with a social partnership model that puts business, trade union and independent expertise at the heart of the FWA.
- **Increasing the time limit** within which employees are able to make an Employment Tribunal claim from 3 months to 6 months.
- Bringing **umbrella companies** (payment intermediaries) within scope of the Employment Agencies Act 1973, allowing for their regulation and state enforcement. The FWA will be able to take action against those umbrella companies who do not fulfil their legal obligations, allowing for their regulation and state enforcement.
- Requiring the Health and Safety Executive and the Office of Rail and Road to produce guidance setting out the circumstances in which 14-16 year olds may undertake voluntary work in heritage railways settings, with regard to section 1 of the Employment of Women, Young Persons and Children Act 1920.

What happens now?

- The Act will be delivered in phases across a two-year period. This approach will ensure that employees and employers have time to plan and prepare.
- Common commencement dates will be used to commence the majority of regulations laid using the powers provided for in the Act (6th April and 1st October).
- The first measures will come into effect at Royal Assent or soon after. These will repeal the Strikes (Minimum Service Levels) Act 2023 and parts of the Trade Union Act 2016, restoring workers' ability to take industrial action without excessive legal barriers.
- In April 2026 we will deliver day one rights to statutory sick pay and paternity leave, as well as launching the Fair Work Agency.
- The Government previously published a Roadmap¹ setting out expected implementation plans for all measures within the Act. The Government remains committed to the timelines set out in the Roadmap and will provide further updates and support to help employers and workers prepare for reforms in 2026.
- As set out in the Roadmap, the Government is also consulting on the detail of some of the measures within the Act. These consultations are being phased to allow employers from all sectors, workers, trade unions and other stakeholders to fully engage with the complex policy issues at hand. Responses to these consultations can be found on GOV.UK.²
- The Government has undertaken an extensive programme of engagement around the Act and broader Plan to Make Work Pay. This has been underpinned by a strong commitment to working in partnership with businesses and trade unions to ensure policy is firmly pro-business and pro-worker. The engagement approach has received praise from business and trade unions alike. It will continue throughout delivery of the Act and beyond.

¹ [Implementing the Employment Rights Bill - GOV.UK](https://www.gov.uk/government/collections/make-work-pay)

² www.gov.uk/government/collections/make-work-pay