

A background image of green leaves with prominent veins, creating a textured, natural feel.

**ERA 2025: WHAT CHARITIES NEED TO
KNOW**

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Employment Rights Act (ERA) 2025

- First reading in Parliament: Oct 2024
- Received Royal Assent: Dec 2025
- **Implementation timetable – Dec 2025
- Jan 2027**
 - Phased implementation via Regulations
 - Numerous consultations

“

***Whoever you are,
wherever you start
in life, if you work
hard... this
country should
give you a fair
chance to get on***

Keir Starmer MP – July 2024

”

What's on the agenda today?

- Zero, low hours and agency workers
- Harassment and whistleblowing
- Trade Unions
- Sick pay and family leave
- Changing contract terms - 'fire and rehire'
- Redundancy
- Unfair dismissal and Employment Tribunal claims

Zero, “low hours” and agency workers

Expected in 2027

- **Complex – detail TBC in Regulations not yet published**
- **Duty to offer guaranteed hours if someone has worked regularly over a reference period - N.B.**
 - Hirer must offer guaranteed hours contract to agency workers
 - No obligation on workers to accept offer
- **Duty to provide reasonable notice of shifts (including changes)**
- **Compensation for cancelled, moved or curtailed shifts**

Harassment

Expected in Oct 2026

- Duty to take **all** reasonable steps to prevent sexual harassment of employees during the course of employment
- Employers liable for third party harassment of employee if:
 - the harassment happens in the course of employment; and
 - the employer failed to take all reasonable steps to prevent the harassment
- **Penalty for non-compliance:** compensation increased by up to 25%. Equality and Human Rights Commission (**EHRC**) also has power to investigate and take enforcement action

Whistleblowing

In force from 6 April 2026

- Definition of qualifying disclosure now includes a disclosure that sexual harassment “has occurred, is occurring or is likely to occur”
- As with any protected disclosure, can be made to certain third parties (“prescribed persons”) including the Charity Commission
- Employees protected from detriment and unfair dismissal – possibility of interim relief
- **Action:** update Whistleblowing Policy; ensure managers/HR know that sexual harassment complaints will fall within the scope of those policies

Trade Unions

Most changes expected in Oct 2026

- Simplified procedures for requesting recognition (in force 6 April 2026)
- **Right to statement of trade union rights** – must give workers written statement (Regulations to prescribe how much information required)
- **Right of access to workplaces** – “access agreements” (employers with fewer than 21 employees exempt)
- **Protection against detriment for taking industrial action** – TBC but could include deducting pay for participating in industrial action
- Central Arbitration Committee (**CAC**) to have power to take action in cases of unfair practices in the trade union recognition process

Statutory Sick Pay (SSP)

In force from 6 April 2026

- SSP payable from day one of sickness absence (3-day waiting period removed)
- Lower earnings limit (**LEL**) for SSP eligibility removed - weekly rate of SSP is the lower of the prescribed weekly rate or 80% of the employee's normal weekly earnings
- **Action:** update policies and HR systems

Family leave

In force from April 2026

- **Day-one parental leave** (unpaid)
- **Day-one paternity leave**
- Removal of restriction on taking paternity leave or receiving statutory paternity pay following period of shared parental leave or shared parental pay
- **Action:** update policies and HR systems

Family leave

Expected in 2027

- **Bereavement leave** - existing right to 2 weeks' in certain limited circumstances to be extended (detail TBC in Regulations)
- **Protection against dismissal** for **employees who are pregnant or have been pregnant** to be strengthened - (detail TBC in Regulations and subject to consultation)
- **Protection against dismissal** for **employees taking or returning from a period of statutory family leave** to be strengthened (maternity, adoption, shared parental leave, neonatal care leave and new bereaved partners leave) – detail TBC

Changing employment contract terms

Expected in January 2027

- **Restricted variations:** **automatic unfair dismissal** to force employees to accept these changes through ‘fire and rehire’:
 - Changes to pensions or pay – including from third parties (e.g. tips)
 - Hours and working time
 - Holiday and time off
 - Anything else the Secretary of State specifies
- **N.B. – restricted variation includes outsourcing the role**
- Doesn't matter if the changes are agreed via a Trade Union

Changing employment contract terms

Expected in January 2027

- **Other changes:** anything that's not a "restricted change" – fairness factors must be considered
- **Actions:**
 - Audit contracts and policies – new rules include terms agreed verbally or implied (e.g. policies)
 - Include new clauses now: flexibility, "no oral variation", entire agreement
 - Bring forward plans to amend "restricted" contract terms
 - Train managers

Collective Redundancies

Most changes expected in 2027

- 1 April 2026 - protective award increased from 90 to 180 days' pay
- 2027 – Changes to the threshold number of employees for collective consultation (TBC in Regulations)
- **Actions:**
 - Review policies and train managers/HR to be able to track and when threshold for redundancies made “within a rolling 90 day period”
 - Pay particular attention to threshold changes if multi-site employer
 - Consider introducing standing employee consultation body for collective consultation so new elections not needed for every process

Unfair dismissal

Expected in January 2027

- If effective date of termination (**EDT**) is on or after 1 January 2027:
 - Qualifying period to bring claims reduces from two years to six months
 - Statutory cap on compensation removed
- **Action:** review probationary periods (reduce if standard is currently 6 months) and train managers to effectively assess performance in the first few months of employment

Employment Tribunal claims – time limits

Expected in October 2026

- Primary time limit to bring most types of claims to **increase from 3 to 6 months**
- Transitional provisions – 6 month time limit will apply where relevant date (e.g. alleged discriminatory act, or EDT) falls on or after 1 October 2026