

Employment Rights Bill

- What employers need to know
(and do NOW)



Current Position

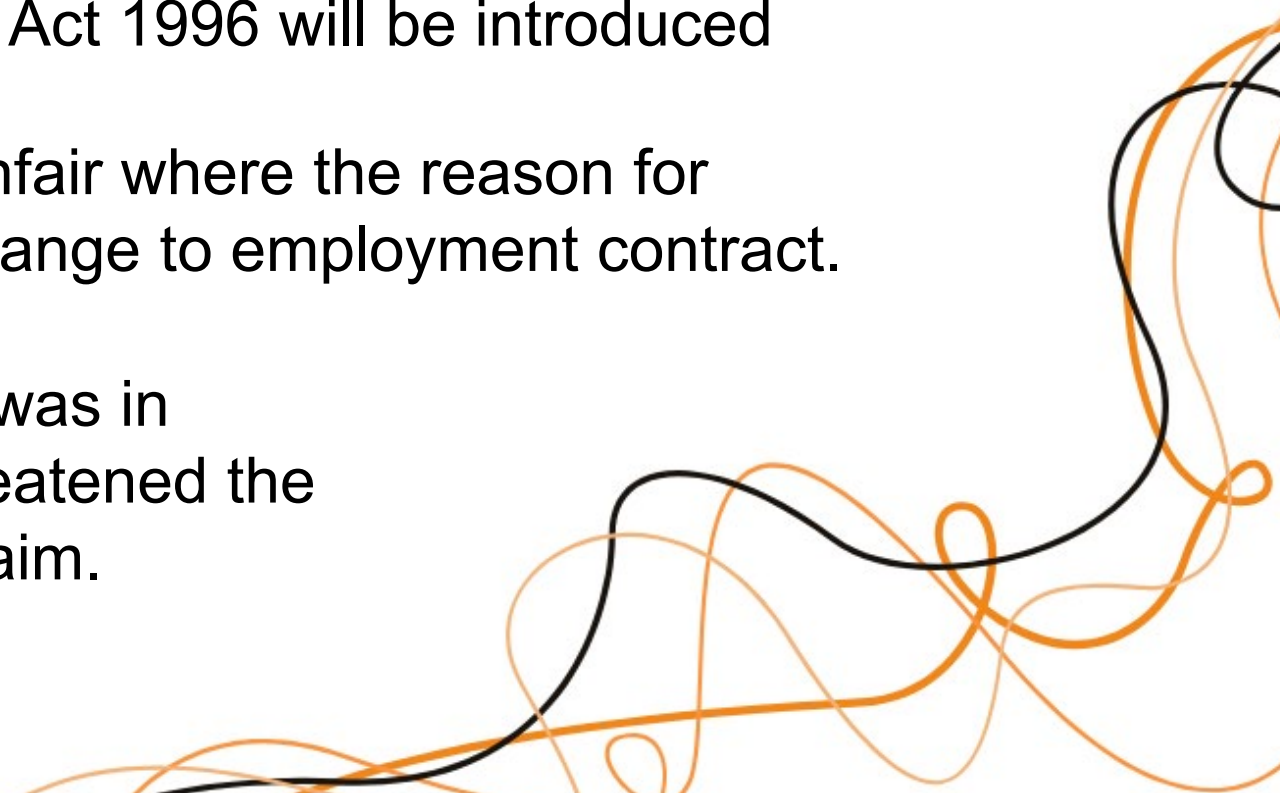
- The Bill is currently going through the committee stage in the House of Lords – likely to last until early June 2025
- Bill likely to be passed in September 2025
- Not all measures will come into effect immediately
- Best guess is that Day 1 unfair dismissal protection will be effective in October 2026

The first measures that come into effect are likely to be:

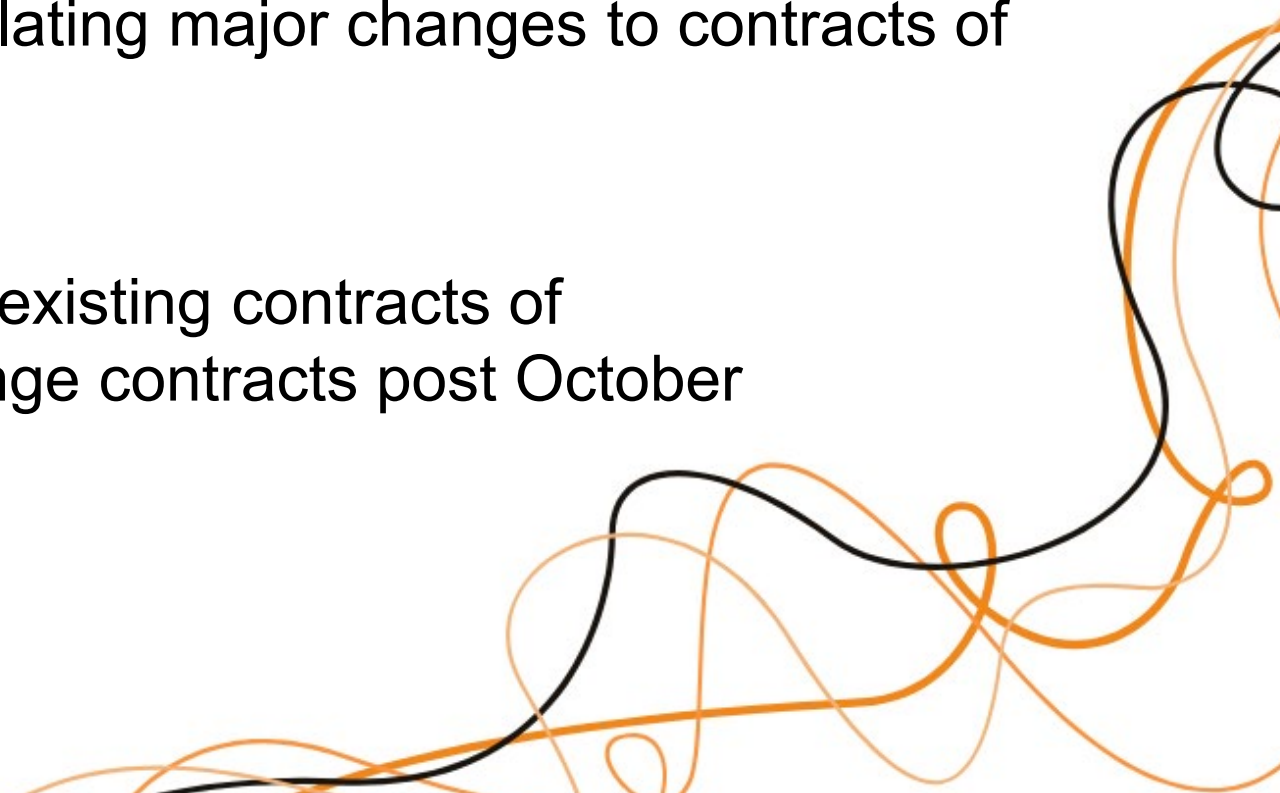
- Prohibition on dismissing for refusing changes to terms and conditions (likely October 2025)
- Increase in tribunal time limits from 3 to 6 months (likely October 2025)
- Day 1 SSP payments (likely April 2026)

The ban on hiring and refiring is a big change

It will seriously hamper the ability of employers to change contract terms.

- New s104I of the Employment Rights Act 1996 will be introduced
 - Any dismissal will be automatically unfair where the reason for dismissal is a refusal to agree to a change to employment contract.
 - Employer would have to show that it was in serious financial difficulties which threatened the viability of its business to defend a claim.
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What employers need to consider NOW - before the ban comes into effect:

- Take advice NOW if you are contemplating major changes to contracts of employment
 - Consider adding variation clauses to existing contracts of employment to make it easier to change contracts post October
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Day 1 SSP will apply for all employees

The 3-day waiting period is removed.

Consider NOW:

- Changing company sick pay to run from Day 4 only (and making the change before October 2025)
 - Getting tougher on employees who have persistent short term absence issues
 - Updating sickness absence policies ready for April 2026
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