



Employment Rights Act 2025

The Employment Rights Act 2025 is going to have a significant impact on employers during 2026 and 2027. To support our members during the implementation stage, we will be circulating a series of special edition newsletters which will be focusing on the Act.

Our aim is to signpost our members to the most up to date information so that you feel equipped with what the key changes are, when they are happening and what actions employers need to take.

Please note that South West Councils provide detailed advice and support based on our professional knowledge. However, the information we provide does not constitute legal advice.

Most of the information used within this document has been taken directly from the Employment Rights Act 2025 Fact Sheets available on GOV.UK. These can be found in full via the following link:
[Employment Rights Act 2025: factsheets - GOV.UK](#)

It is noted that further information in relation to the ERA is being published regularly, following consultation processes and the passing of regulations. Therefore the information contained in this newsletter is correct as at the date of publication but is subject to further change.



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What is the Employment Rights Act 2025?

GOV.UK states that 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.

Further information regarding the aims of the Act can be found here: [Employment Rights Act 2025: overview factsheet](#)

When are the changes happening?

The Act will be implemented in phases during 2026 and 2027:

December 2025

- *The repeal of the Strikes (Minimum Service Levels) Act 2023*

18 February 2026

- *The repeal of the great majority of the Trade Union Act 2016, thereby simplifying requirements to trade unions, including in relation to industrial action and political funds*
- *Removing the 10-year ballot requirement for trade union political funds*
- *Simplifying industrial action notices and industrial action ballot notices*
- *Protections against dismissal for taking industrial action*
- *Employees that are newly eligible for "Day 1" Paternity Leave and Unpaid Parental Leave can give notice*

Continued...

7 April 2026

- *The establishment of the Fair Work Agency*

August 2026

- *Electronic and workplace balloting for Statutory Trade Union Ballots*

October 2026

- *Bringing forward regulations to establish the Fair Pay Agreement Adult Social Care Negotiating Body in England*
- *Procurement - two-tier code*
- *Tightening tippine law*
- *The duty to inform workers of their rights to join a trade union*
- *Strengthening trade unions' right of access*
- *Requiring employers to take "all reasonable steps" to prevent sexual harassment of their employees*
- *Introducing an obligation on employers not to permit the harassment of their employees by third parties*
- *Introducing 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*

6 April 2026

- *Collective redundancy protective award - doubling the maximum period of the protective award*
- *"Day 1" Paternity Leave and Unpaid Parental Leave*
- *Whistleblowing - strengthening protections for workers who "blow the whistle" on sexual harassment*
- *Bereaved Partners' Paternity Leave - (non-MWP measure) will enable bereaved fathers and partners to take up to 52 weeks of paternity leave if the mother or primary adopter dies within the first year of the child's life*
- *Statutory Sick Pay (SSP) - removing the Lower Earnings Limit (LEL) and waiting period*
- *Action plans on gender equality and supporting employees through the Menopause (voluntary)*
- *Menopause guidance*
- *Simplifying trade union recognition process*

Continued...

- *Unfair practices in the trade union recognition process*
- *New rights and protections for trade union representatives*
- *Extending protections against detriments for taking industrial action*
- *Employment tribunal time limits*

January 2027

- *Reduction of unfair dismissal qualifying period to 6 months, for dismissals from 1 January 2027, and uncapping compensatory awards*
- *Fire and rehire protections*

December 2026

- *Commencement of the Mandatory Seafarers' Charter*

2027

- *Action plans on gender equality and supporting employees through the Menopause (mandatory)*
- *Enhanced dismissal protections for pregnant women and new mothers*
- *Specifying steps that are to be regarded as “reasonable” to determine whether an employer has taken all reasonable steps to prevent sexual harassment*
- *Extending blacklisting protections*
- *Industrial relations framework*
- *Regulation of umbrella companies*
- *Collective redundancy - collective consultation threshold*
- *Flexible working*
- *Bereavement leave including pregnancy loss*
- *Ending the exploitative use of zero-hours contracts*
- *Electronic and workplace balloting for recognition and derecognition ballots*

[Click here to access the Government Roadmap in full](#)

What do employers need to do?

As implementation dates approach, now is an appropriate time for employers to start assessing how the reforms may affect their organisation. Identifying the areas most likely to be impacted will help ensure employers are well prepared to respond promptly and effectively as each phase comes into force.

1. Familiarise yourself with the changes

With so many significant changes planned for the next few years, it is important that employers ensure they are familiar with all the changes.

The Government set out a detailed overview of the changes along with a timeline for implementation. This can be found on the Employment Rights Bill roadmap via the following link: [Implementing the Employment Rights Bill - Our roadmap for delivering change](#)

The Government have also produced several Fact Sheets setting out the current legislation and details of the proposed changes: [Employment Rights Bill: factsheets - GOV.UK](#)

ACAS also provide a summary of the changes along with key dates: [Employment Rights Bill - Acas](#)

2. Review budgets

One of the significant changes relates to statutory sick pay (SSP). Under the Act, SSP will be payable from the first day of sickness, rather than the current fourth day, and the lower earnings limit will be removed.

It is noted that this change won't impact on employers who follow the Green Book sick pay scheme, because sick pay is already paid from day one.

However, employers who don't follow the Green Book sick pay scheme should assess any potential financial impact because of this change. This includes reviewing current absence levels and modelling the projected cost of paying SSP from day one, rather than from day four as is currently required.



3. Review HR Policies and Procedures

Due to the upcoming legislative changes, employers will need to review and update several HR policies and procedures to ensure they remain compliant.

4. Update employees

As the Act is legally binding, employers will not be required to formally consult with employees to obtain their agreement. However, it remains good practice to follow ACAS guidance, which recommends holding 'good practice consultations' on matters that affect employees' interests, such as introducing new policies or updating existing ones. Employers should therefore start to consider what information they will need to share with employees in due course, and how and when they will do so.

5. Train and prepare managers

Several changes - including those relating to flexible working, paternity leave and unfair dismissal - may affect the responsibilities, knowledge and skills required of line managers.

Organisations should therefore begin reviewing training programmes, manager guidance and induction paperwork. Identifying areas where content may no longer align with the legislation will help ensure that necessary updates can be made promptly when needed.



HR Training Courses by



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Managing absence - 22.04.26

Managing conflict in the workplace - 19.05.26

Managing performance & effective appraisals - 03.03.27

What is changing - April 2026

1. Statutory Sick Pay

Current position:

Currently, employees need to earn at least the lower earnings limit to get SSP and it's paid from the fourth day of sickness absence.

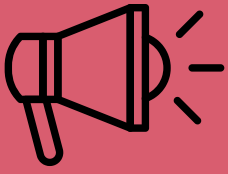
What's changing:

The Statutory Sick Pay measures included in the Act are:

- Removing the Lower Earnings Limit to make Statutory Sick Pay available to all employees regardless of their weekly earnings. The changes introduced by the Act mean that the rate of Statutory Sick Pay will be 80% of an employee's earnings or the current flat rate, whichever is lower.
- Removing waiting days from the Statutory Sick Pay system and amending the Period of Incapacity for Work, so that eligible employees are entitled to Statutory Sick Pay from their first full day of sickness absence, rather than the fourth.
- Inclusion of Statutory Sick Pay (including the current enforcement and disputes process) within a newly established single enforcement body - the Fair Work Agency.
- Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](#)

Next steps:

All consultations relating to Statutory Sick Pay have now been concluded. The changes will come into effect in April 2026



Actions for employers:

- In readiness for April 2026, non-Green Book employers need to:
 - Update terms and conditions set out in contracts of employment and / or absence policies to ensure that:
 - Any reference to the three-day waiting period and lower earnings limit has been removed;
 - They explain that all employees are eligible to statutory sick pay from the first full day of their sickness absence (rather than the fourth); and
 - They provide that all employees are entitled to statutory sick pay, regardless of their weekly earnings.
 - Review financial budgets to take into account increase in cost.
 - Consult with employees regarding any changes to policies and/or contracts
 - Liaise with payroll providers / update payroll systems to ensure they reflect the changes



2. Duty to keep annual leave records

Current position:

There is currently no legal requirement for employers to keep records of annual leave, although most will do so for the current year and may keep this information beyond that time.

What's changing:

From 6 April 2026, employers must keep records of annual leave and holiday pay for all workers, including those with irregular hours or part-time roles. These records must be detailed enough to show that each worker has received the correct leave and pay.

They must include:

- Annual leave taken
- Annual leave carried over from previous years
- Details of holiday pay, including which elements have been included or excluded
- Payments in lieu of holiday, including for carried-over leave

Employers must:

- Keep this information for a minimum of 6 years from the date it was recorded
- Manage records in line with GDPR

This duty has been introduced with very little notice and is currently not included in the Department of Business and Trade's timeline for changes due to take effect in 2026



Actions for employers:

- Ensure current recording systems capture all the above aspects of annual leave and pay in a format which can be used to demonstrate compliance
- Retain records for a minimum of 6 years in line with GDPR.

3. Fair Work Agency

Current position:

Currently, employees need to earn at least the lower earnings limit to get SSP and it's paid from the fourth day of sickness absence.

What's changing:

The Statutory Sick Pay measures included in the Act are:

The Fair Work Agency (FWA) will be an Executive Agency of the Department for Business and Trade (DBT), created administratively. It will not have its own distinct legal identity, so the Act gives the Secretary of State a series of functions to enforce certain employment legislation. Those functions will in practice be discharged through the FWA, including by enforcement officers appointed by the Secretary of State.

The FWA bring together existing state enforcement functions and, over time, take on enforcement of a wider range of employment rights. This will be a single place where workers and employers can turn for help. It will improve efficiency by ensuring there is one leadership team to oversee work in line with a unified strategy. The FWA will aim to resolve issues upstream by supporting employers that want to comply with the law. But it will also have strong powers to investigate and take action against businesses that flout the law, to level the playing field for compliant businesses.

Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](#)

Next steps:

The Employment Rights Act is the first phase of delivering the Fair Work Agency. The Government will set out further details including timescales for implementation in due course.



Actions for employers:

- Audit pay practices.
- Ensure HR processes are clear.
- Review grievance and whistleblowing process to ensure it creates a culture of people raising concerns



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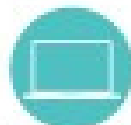
Events



Learning



Migration



Apprentice
EPA



Business
Support



Policy and
Strategy

4. Collective Redundancy

Current position:

At present, the duty to consult collectively where redundancies are proposed is triggered when an employer is proposing 20 or more redundancies 'at one establishment' within a period of 90 days. The same trigger applies to notifying the Secretary of State of proposed redundancies by way of an HR1 form.

The current cap on the protective award (the amount that can be awarded where an employer fails to comply with its obligations to inform and consult employees) is 90 days uncapped pay per employee.

What's changing:

The Act strengthens collective redundancy rights and protections by making three changes to the collective redundancy framework:

1. Changes to the protective award

The maximum period of the protective award (the remedy a tribunal can award when an employer fails to meet its collective redundancy consultation obligations, requiring the employer to pay remuneration to employees) will be doubled from 90 to 180 days' pay.

2. Introducing an organisation-wide threshold

The Act introduces an additional organisation-wide threshold for collective redundancy obligations and grants the government a power to set it through secondary legislation. The government intends to consult on the level at which this threshold should be set. Once the organisation-wide threshold has been set in regulations, employers will be required to undertake collective redundancy obligations when it

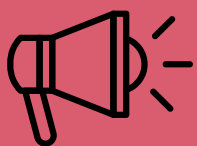
proposes to make redundancies which meet or exceed that threshold number across their entire organisation over a 90-day period. This organisation-wide threshold will apply in addition to the current threshold of 20 proposed.

3. Strengthening protections for seafarers

Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](#)

Next steps:

The cap on protective awards is expected to increase in April 2026. The broadening of the circumstances in which collective consultation will be triggered will be set out in separate regulations. These regulations are expected to come into force in 2027, with consultation expected to start in early 2026.



Actions for employers:

- Review any current collective consultation obligations for shortcomings.
- Review and update Redundancy policies.
- Consider training for their line managers, HR teams and leaders to ensure that they are aware of the legal and procedural obligations on an employer when proposing redundancies

5. Paternity Leave and Unpaid Parental Leave

Current position:

Currently an employee must work for their employer for 26 weeks before they are eligible for Paternity Leave, and for a year before they are eligible for Unpaid Parental Leave.

Currently the law doesn't allow for Paternity Leave and Pay to be taken after Shared Parental Leave and Pay.

What's changing:

The Employment Rights Act makes Paternity Leave and Unpaid Parental Leave “day one” rights for all employees, subject to them providing their employer with the correct notice. This means that employees will be eligible for these leave entitlements without needing to have worked for their employer for any particular timeframe. The 26-week qualifying period for Paternity Pay is unchanged.

Regulations will make the day one right to Paternity Leave available to employed parents of babies with an Expected Week of Childbirth (EWC) on or after 5 April 2026, born on or after the 6 April 2026, or children placed for adoption on or after 6 April 2026. Parents will benefit from the day one right to take Unpaid Parental Leave from 6 April onwards. Neither leave may be taken by newly eligible parents before this date.

To support families to access their entitlements as soon as possible, the Government is introducing a transition period for newly eligible parents taking Paternity Leave, temporarily shortening the notice period to 28 days so that they can take leave from 6 April 2026. Newly eligible parents will be able to give notice of their intention to

take leave from 18 February 2026. The notice period for parents who are already eligible will be unchanged, as will the 21-day notice period to take Unpaid Parental Leave.

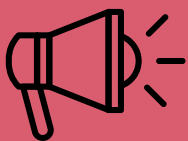


The Act also removes the restriction on taking Paternity Leave and Pay after taking Shared Parental Leave and Pay. This will provide more flexibility for employees to take advantage of the different types of leave available to them to care for their child.

Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](https://www.gov.uk/government/factsheets/employment-rights-act-2025-factsheets)

Next steps:

Measure	Expected Commencement
Day 1 paternity leave:	By 18 February, enabling leave to be taken from 6 April 2026
Day 1 unpaid paternity leave:	By 18 February, enabling leave to be taken from 6 April 2026



Actions for employers:

- Update Paternity Policy
- Update Parental Leave section of Leave Policy
- Inform employees of change to policies

6. Bereaved Partner's Paternity Leave

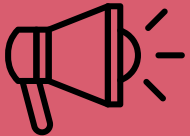
In addition to the Employment Rights Act, the Bereaved Partner's Paternity Leave Regulations 2026 will also take effect in April.

These regulations will provide an entitlement for an extended period of leave for bereaved partners in a situation where the primary carer has died.

Bereaved Partner's Paternity Leave will be unpaid.

The period during which leave can be taken, which is called the paternity leave eligibility period (PLEP), starts on the day after the child is born or placed for adoption and ends 52 weeks after that day. Leave cannot start until after the bereavement date.

If the bereavement occurs less than a fortnight before the end of the 52 weeks, the eligibility period ends 14 days after the bereavement date.



Actions for employers:

- Introduce a Bereaved Partner's Paternity Leave Policy



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7. Menopause

Current position:

Currently, there is no requirement for employers to create menopause action plans.

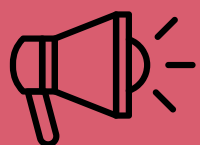
What's changing

Employers with 250 or more employees will voluntarily be encouraged to create action plans on supporting employees through menopause to promote gender equality and support women's health in the workplace.

Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](#)

Next steps:

The voluntary encouragement is likely to be in place from April 2026. It will be enforced from 2027.



Actions for employers:

- Consider implementing a Menopause Action Plan.



8. Gender Pay Gap

Current position:

Currently there is no legal requirement for employers to create action plans on tackling the gender pay gap.

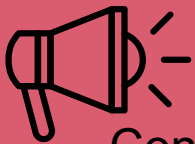
What's changing

Employers with 250 or more employees will voluntarily be encouraged create action plans on tackling the gender pay gap (enforced from 2027) to promote gender equality and support women's health in the workplace.

Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](#)

Next steps:

The voluntary encouragement will be in place from April 2026. It will be enforced from 2027.



Actions for employers:

- Consider implementing a Gender Pay Gap Action Plan.

9. Trade Union Reforms

Current position:

The Trade Union Act 2016 provides for a range of matters, including:

- 50 per cent turnout threshold in strike ballots.
- Additional requirement of 40 per cent support threshold in strike ballots for industrial action in important public services (IPS). IPS are education, fire, health, border security, transport and nuclear decommissioning.

What's changing

Statutory recognition will be lowered by:

- removing the application requirement to show likely majority support for recognition in the chosen bargaining unit (BU).
- removing the requirement at the ballot stage to show 40% support of the BU.
- potentially reducing the initial threshold for union membership in the BU from 10% to as low as 2%.

Further information can be found on the Government website via the following link: [Employment Rights Act 2025: factsheets - GOV.UK](#)

Next steps:

The government plans to implement changes to the statutory recognition process in April 2026.



Actions for employers:

- Employers should assess their employee relations strategy, particularly if they do not currently recognise trade unions.
- Employers should assess how they engage with their staff on a collective level.

October 2026 & 2027:

The Employment Rights Act will bring further changes in October 2026 and 2027. Further information regarding the changes and the actions that employers will need to take will be circulated closer to the time once the regulations have been confirmed.



Further support from South West Councils:

Sharing Information

To support our members throughout the implementation period, we will continue to share any updates with our members and signpost you to any useful information. This will be done via our regular monthly newsletters.

HR Policies and Templates

To take into account the changes from April 2026, our South West Councils HR Services team have now updated the following template policies:

- Shared Parental Leave
- Paternity Leave
- Leave
- Whistleblowing

We have now also introduced a brand-new Parental Bereavement Paternity Leave policy.

If you would like to receive a copy of these updated or new policies then please email hr@swcouncils.gov.uk

Training

We are also in the process of reviewing our training content to ensure that all upcoming training content is up to date and compliant with the changes.

Need more support?

At South West Councils, we know that effective HR support is not a one size fits all approach. It's about providing timely, practical guidance that is proportionate, informed, and tailored to your organisation. Our South West Councils HR services professionals are professionally qualified, experienced specialists ready to help you tackle day-to-day people challenges and strategic workforce issues with confidence.

Getting in touch is straightforward. You can email our dedicated HR professionals directly at hr@swcouncils.gov.uk or leave a message for them on 01823 270101, and we will get back to you promptly.

Sources and further information:

- [GOV.UK: Employment Rights Act 2025: factsheets - GOV.UK](#)
- [ACAS: Employment Rights Act 2025 - Acas](#)
- [Lewis Silkin: Lewis Silkin LLP - Homepage](#)
- [Burgess Salmon: Employment Rights Act - Burges Salmon](#)
- [CIPD: CIPD | The Professional Body for HR & People Development](#)



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