



Employment Rights Bill (2025)

Changes that you need to know about, and implement for 2026, and early 2027.

The Employment Rights Act 2025 (ERA 2025) became law in the UK on December 18, 2025, representing a major overhaul of employment law, introducing rights for zero-hours workers, ending 'fire and rehire', enhancing sexual harassment protection, modernizing trade union rights, and removing statutory sick pay waiting periods, with phased implementation continuing through 2026-2027, significantly changing the landscape for employers and workers.

Read through the next slides to see how this will impact your Parish.

All policies, templates and other documents on the Parish HR website have been updated to reflect these new changes.



**Effective from
April 2026**

Category	April 2025 - March 2026	April 2026 - March 2027	% Increase
National Living Wage (21+)	£12.21	£12.71	4.1%
18-20 Year Old Rate	£10	£10.85	8.5%
16-17 Year Old Rate	£7.55	£8	6%
Apprentice Rate	£7.55	£8	6%
Accommodation Offset	£10.66	£11.10	4.1%
Real Living Wage	£12.60 (£13.85 London)	£13.45 (£14.80 London)	6.3% (6.4% London)

Please note that the Diocese has a policy, that where possible all employees are paid the Real Living Wage which will be £13.45 per hour in the UK (£14.80 in London).

National Minimum Wage changes

From 1st April 2026

Trade Union Changes from 18th February 2026



Increased dismissal protection

- Dismissal for taking part in industrial action will become 'automatically unfair'. This will remove the current 12-week limit for claiming unfair dismissal.

Trade Union Activity

- The time needed to give notice of industrial action will reduce to 10 days, instead of 14 days;
- Unions will need a simple majority to vote for industrial action;
- Picket supervisors will no longer be required;
- Industrial action mandates will last for 12 months, instead of 6 months;
- Industrial action and ballot notices will be simplified;
- Political fund rules will change.

Changes from April 2026

- Simplifying how a trade union can gain recognition in a workplace;
- Allowing trade union members to vote electronically.

Family Leave Changes from 6th April 2026



- 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. Please note this only affects Paternity leave only, and not pay, therefore the requirement remains the same (the employee must have been continuously employed for at least 26 weeks ending with the 15th week before the Expected Week of Childbirth).
- The Bereaved Partner's Paternity Leave Regulations 2026 were laid before Parliament on 13th January 2026. These regulations introduce a new statutory entitlement of up to 52 weeks' bereaved partner's paternity leave for eligible employees to take. More information will be confirmed once this has been agreed by Parliament.
- Ordinary parental leave will become a day one right – currently someone must have worked for their employer for 1 year to be eligible.
- The restriction on taking paternity leave after shared parental leave will be removed. Previously paternity leave could only be taken after Shared Parental leave when the other parent/ Primary Adopter had passed away.
- All statutory family related leave pay will increase from £187.18 to £194.32 per week.
- The Lower earnings limit, which is used to calculate entitlement to statutory maternity, paternity and adoption leave pay, will increase from £125 to £129 per week.

Statutory Sick Pay Changes from 6th April 2026

- Statutory sick pay (SSP) will be paid from the first day of illness, instead of the fourth day. The previous requirement that employees would have to complete the three-day waiting period, before receiving payment from the fourth day has been removed.
- The lower earnings limit will be removed – currently, workers must earn a minimum amount to be eligible for statutory sick pay.
- The flat rate of SSP will increase to £123.25 from £118.75 per week.
- All workers are to be paid SSP from the first day of absence at a rate of 80% of their weekly earnings, or the flat rate, whichever is lower. The DWP has released guidance on average earnings, SSP payments and managing the transition to the new SSP rules:
 - 80% of usual earnings will be calculated on a worker's average weekly earnings over an eight-week reference period
 - Any payments made at 80% will be rounded up to the nearest penny
 - For linked periods of absence (absences within 8 weeks apart), the employee's earnings from the initial period of absence are to be used
 - For those earning between the LEL and £154.05 per week, who are already receiving SSP before 6 April 2026 will continue to receive the flat rate of £118.75 per week.





Other Changes from 6th April 2026

Collective redundancy protective award

The maximum 'protective award' (compensation) for failure to consult in collective redundancy will double from 90 days' pay to 180 days' pay. "Collective redundancies" are large-scale job cuts where an employer plans to dismiss 20 or more employees as redundant within a 90-day period at a single establishment. Although this is unlikely to affect our Diocese, it is worth bearing in mind.

Whistleblowing protections for sexual harassment

Sexual harassment will become a 'qualifying disclosure' under whistleblowing law. This will mean protection from detriment and unfair dismissal for whistleblowers making a sexual harassment disclosure. This relates to allegations that sexual harassment *has or is likely* to occur that are **in the public interest** will qualify as a 'protected disclosure'. Individuals making these allegations will therefore receive whistleblowing protections against dismissal or detriment.

Gender pay gap and menopause action plans

Employers with 250+ members of staff, will need to create action plans around menopause and gender pay gaps. These will be voluntary from April 2026. They will become mandatory sometime in 2027. While this isn't enforced for smaller organisations, it is good practice, particularly for the menopause action plan, as capability issues related to menopause have led to a number of Employment Tribunals in recent year. You can find Menopause and Andropause policies, and an Employee Needs Assessment, on the Parish HR pages which you can adapt for your Parish to ensure you implement reasonable adjustments for employees who are going through the menopause or andropause.



The Fair Work Agency

- The Fair Work Agency will be established in April 2026, to
- bring together existing enforcement bodies. It will be able to:
 - Raise tribunal claims on behalf of workers, even if the worker does not want to raise a tribunal claim. This is a significant change designed to hold employers accountable, particularly when lower-paid or vulnerable workers may be too fearful or lack the resources to bring claims themselves.
 - Provide legal support, assistance, or representation to workers in tribunal cases
 - Issue notices of underpayments for under or unpaid statutory payments, such as holiday pay and statutory sick pay
 - Require businesses to show evidence of compliance to employment law

Changes
effective
from.....





Fire & Rehire - Restricted

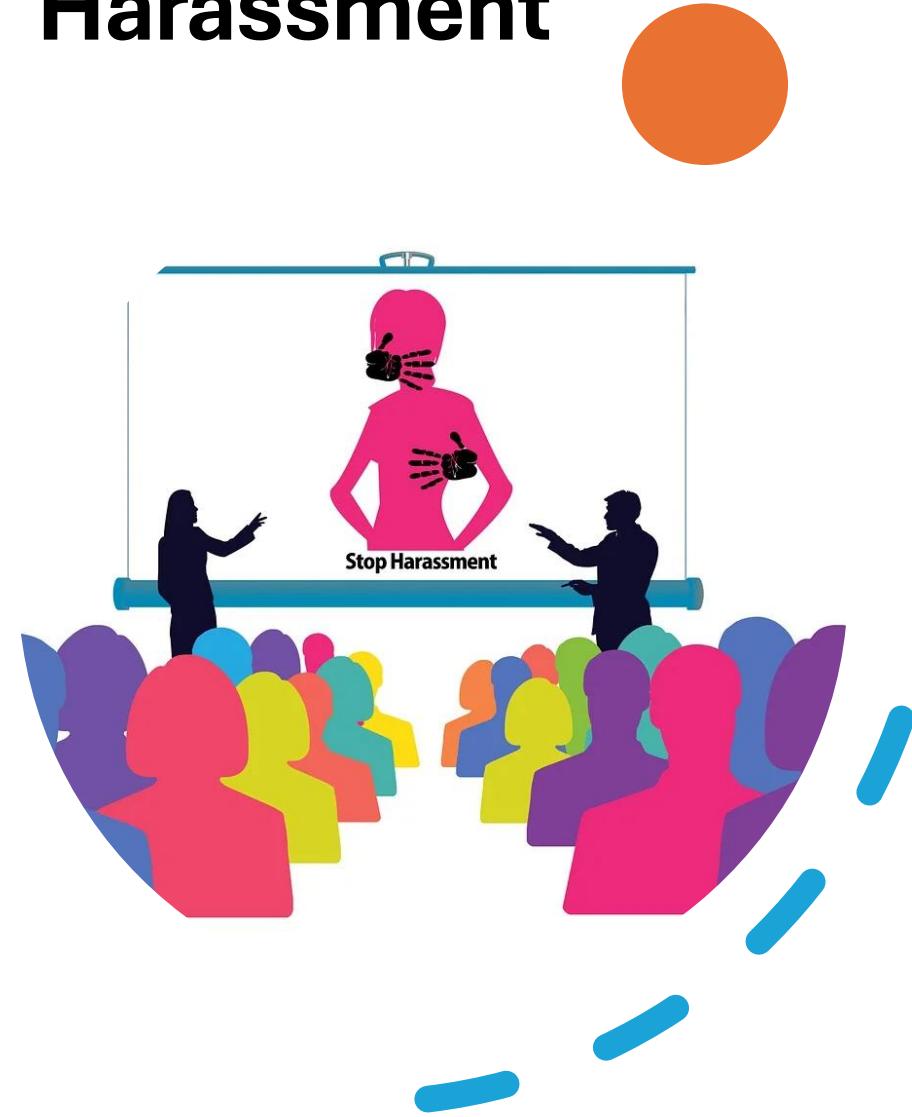
Dismissing someone then rehiring them on worse terms and conditions (known as 'fire and rehire'), will become an automatically unfair dismissal in most cases, unless:

- There is evidence of financial difficulties that were affecting, or were likely to affect, the viability of the business,
- The changes were to eliminate, prevent, significantly reduce or significantly mitigate the effects of those financial difficulties; and
- The need to make the change in contractual terms was unavoidable

For some time, we have advised that all new and amended employee contracts, should contain a "Variations to terms and conditions" section. This is included in the template Statement of Main Terms and Conditions on the Parish HR webpage and provides you, as an employer, an agreement to make reasonable changes to terms and conditions when needed. There are still laws surrounding this, including consulting with the employee, however having this clause in your employees' contracts of employment provides you protection.

- 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 need to take 'ALL reasonable steps' to prevent sexual harassment – the current law says, 'reasonable steps'. This means employers must proactively implement a comprehensive strategy, including risk assessments, clear policies, regular and tailored training (for all staff & managers), robust reporting systems, and continuous review, to prevent harassment before it happens, rather than just reacting to complaints
- A change to the law around non-disclosure agreements (NDAs) is also expected. This will void clauses that would prevent workers from alleging or disclosing work-related harassment or discrimination. The date of this change is not known yet.
- All Parish staff and volunteers have access to free e-learning on preventing sexual harassment, as well as Equality & diversity and Unconscious bias. You should speak to Simone Smith, HR Manager for access to these courses.
- There are also a number of other documents which you may find useful, including risk assessment templates, policies, posters and fact sheets to give to third-parties in advance of them working around your employees.

Prevention of Sexual Harassment



Further Trade Union Changes from October 2026



From October 2026 there will be:

- a new duty for employers to inform workers of their right to join a trade union. You will notice in the template Statement of Main terms and Conditions on the Parish HR website, that they contain the following wording in the Collective Agreements section, *“You have the right to join a Trade Union at any point during your employment with us. If you do join a Trade Union, please let HR know so that they keep this information on file if needed”*
- updated rules on a trade union's right of access to the workplace
- a new right to reasonable accommodation and facilities for trade union representatives carrying out their duties
- a new right to time off for union equality representatives to carry out their duties



Other Changes from October 2026

Tipping

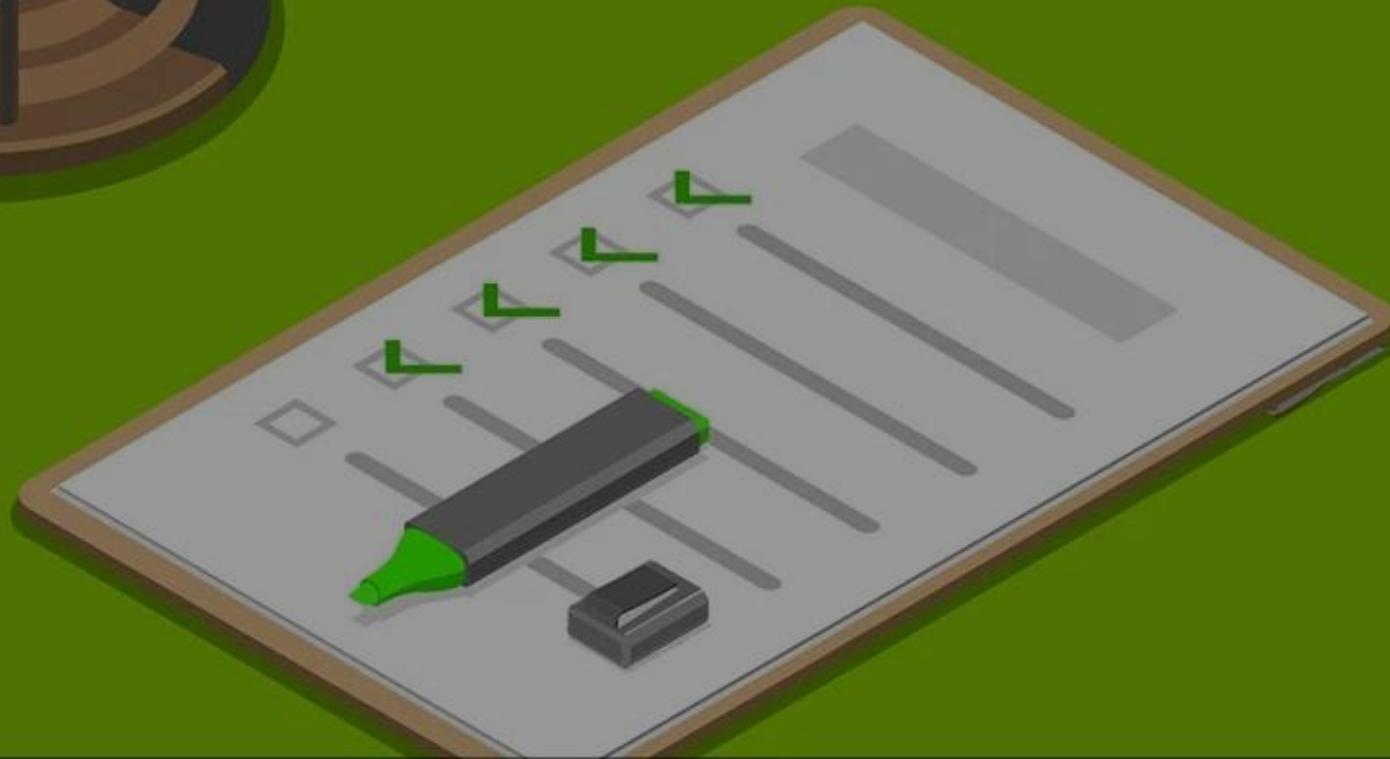
The law on Tipping will change in October 2026. Employers will need to:

- consult with workers or their representatives before creating a tipping policy
- update their tipping policy every 3 years

Employment tribunal time limits

The time limits for making a claim to an employment tribunal will increase to 6 months for all claims. The current time limit for most claims is 3 months. This will change in October 2026.

Effective from 2027
but you should
prepare this year



Unfair Dismissal Claims threshold reduced from 2 years to 6 months from January 2027 – Act now!



From 1st January 2027, protection from unfair dismissal will become a right after 6 months of being in a job. Currently, someone must have worked for their employer for 2 years before claiming unfair dismissal. This means that an employee can now take you to an employment tribunal for unfair dismissal as soon as they have been employed for 6 months. Previously they could only do this before they reached 2 years of employment, if the dismissal was linked to a protected characteristic or breach of contract. With the implementation of the Fair Work Agency, who can take an employer to tribunal even if the employee doesn't want to, it is imperative that Parishes look at this change seriously

- Therefore, I strongly recommend that:
 - If your employment contracts require a 3-month probation period, that you increase this to a 6-month probation period for all new staff, to cover you in case anything happens and their performance/absence becomes a problem between the 3-month mark when you would normally have passed the probation period, and the 6-month mark, when they can legally now claim unfair dismissal.
 - If you have provision in your contract of employment for a 6-month probation period, with a potential extension for 3 months, you will need to amend this and have a set probation period for 6 months only.
 - You will need to ensure that you follow a thorough probationary period with your employees, as once they have 6 months service, if you are still unsure of their competence at this stage, it is better for you as an organisation to end their employment at that stage, as you will not be able to extend it further, and if you pass their probation, and you are still concerned about their competence, you will have to follow a full process, and ensure that you do not fall foul of the unfair dismissal rules.

You should note that this is applicable for anyone who has reached 6 months service, on the 1st January 2027. So, this is applicable to anyone that is employed after 1st July 2026, so I would advise you amend your employment contracts straight away, and definitely no later than July this year. I have amended the templates on the Parish HR pages already.

Other changes planned for 2027

(no specific date or full
communication of the
changes yet)

Increased pregnancy and maternity rights - The Act will strengthen protections against dismissal for pregnant workers and those returning from maternity leave

Bereavement leave - There will be a new right to statutory bereavement leave. It's not known yet whether this will be paid or unpaid leave.

Zero Hours contracts - Workers on zero-hours contracts will get the right to guaranteed working hours, if they want them. Workers will also have the right to be paid if a shift is cancelled, moved to another date, or cut short by an employer

Other changes planned for 2027

(no specific date or full communication of the changes yet)

Flexible working - There will be an amendment to flexible working law in 2027. If an employer rejects a flexible working request because of a genuine business reason, they will have to state the reasons and explain why they believe their refusal is reasonable. Doing this is already good practice. But it will become a legal requirement

Further sexual harassment change - The law will specify what 'reasonable steps' means when preventing sexual harassment, following earlier changes in October 2026

Mandatory gender pay gap and menopause action plan - Action plans around menopause and gender pay gaps, for large organisations will become mandatory, following their voluntary introduction in April 2026

Other changes planned for 2027

(no specific date or full communication of the changes yet)

Collective redundancies - employers will need to consider the total number of redundancies across their whole organisation, not just individual workplaces (currently, collective redundancy rules only apply to individual workplaces). There will also be increased collective redundancy protection for workers on ships that regularly operate from British ports but are registered outside Great Britain.

Trade Union changes – including extending laws that protect trade union members from discrimination and being 'blacklisted', and a new industrial relations framework, to help employers and trade unions work together

Regulation of Umbrella companies - The definition of agencies will be expanded to include 'umbrella companies'. This will allow enforcement by the relevant bodies.

Parish HR Webpage Links

- [Parish HR Support Service Landing Page](#)
- ['E-learning for Parish staff & Volunteers'](#)
- ['Recruitment & Selection'](#)
- ['New Employees'](#)
- ['During Employment'](#)
- ['Leavers'](#)
- ['Data Retention'](#)
- ['Employment Law Updates'](#)

Links to amended policies and templates due to Employment law changes

(amendments in documents highlighted in green so you can copy and paste into your own existing policies)

Staff Handbook template

- [Staff Handbook](#)

Sickness Absence

- [Sickness Absence Policy](#)
- [Self Certification form](#)
- [Return to work form](#)
- [No entitlement to SSP letter](#) (Please note the other letters on the Parish HR website remain unchanged)

Whistleblowing

- [Whistleblowing Policy](#)

Shared Parental Leave

- [Shared Parental Leave \(Birth\) Pol](#)
- [Shared Parental Leave \(Adoption\) Policy](#)

Menopause & Andropause

- [Menopause Policy](#)
- [Andropause Policy](#)
- [Employee Needs Assessment](#) (to put support in place)

Paternity Pay and Leave

- [Paternity Pay & Leave Policy](#)
- [Paternity Leave Pack – for staff](#)
- [Paternity Leave Pack – for line managers](#)
- [Paternity Leave HR Checklist](#)

[There are also template letters you can use which are located in the templates section of the “During employment section”](#)

Links to amended policies and templates due to Employment law changes

(amendments in documents highlighted in green so you can copy and paste into your own existing policies)

Parental Leave

- [Parental Leave Policy](#)
- [Form for employee to request parental leave](#)
- Letters:
 - [Accepting Parental leave request](#)
 - [Declining Parental leave request](#)
 - [Postponing Parental leave request](#)

Updated contracts and new employee documents (for use from 1st July 2026)

- [Statement of Main Terms & Conditions - Casual Worker](#)
- [Statement of Main Terms and Conditions - Full time](#)
- [Statement of main terms and conditions - Part time](#)
- [New Employee Induction and Probation form](#)

Disability & Neurodiversity Support

- [Disability policy](#)
- [Neurodiversity policy](#)
- [Neurodiversity Toolkit](#) – Includes helpful ideas for existing employees, as well as for recruitment processes
- [Employee Needs Assessment](#) (To put support in place)

Sexual Harassment

- [Equal Opportunities & Positive Working Policy](#) (also known as an Anti-harassment Policy)
- [Anti-harassment Poster](#)
- [Sexual Harassment Fact Sheet](#)
- [Contractor/ Third-party Letter](#) (Including behavioural requirements)

A close-up photograph of a person's hands. The hands are positioned as if they are holding or presenting a white envelope. The envelope is slightly open at the top. The lighting is warm and focused on the hands and the envelope, creating a soft glow. The background is dark and out of focus.

Parish HR Support

Simone Smith

HR Manager

ParishHR@Coventry.Anglican.org

02476 521381