

UK Employment Rights Bill: Where Things Stand Now

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The UK Government's flagship Employment Rights Bill is the main vehicle for its "Make Work Pay" agenda. Introduced on 10 October 2024, it sets out wide-ranging reforms impacting the full spectrum of the employment landscape.

At the time of writing, the Bill has not yet been passed into law, but this is still expected later in December 2025. Most changes will then follow over the next two years as regulations and guidance are rolled out.

On 27 November 2025, the Government confirmed a major shift: it will retain a qualifying period for ordinary unfair dismissal but reduce it to six months rather than make it a "day one" right. It also announced its intention to lift the existing compensation cap for unfair dismissal, although no detail has yet been provided on how far this will extend or when it will take effect.

Implementation will be phased, not "big bang"

On 1 July 2025, the Government published an implementation "roadmap" with the Bill's reforms to be introduced in stages.

A brief outline:

- Late 2025 ("Royal Assent" and shortly after): repeal of the Strikes (Minimum Service Levels) Act 2023 and most of the Trade Union Act 2016, and stronger protection against dismissal for taking lawful industrial action.
- April 2026: higher maximum "protective awards" for failures in collective redundancy consultation; day one rights
 to paternity and unpaid parental leave; sick pay from day one without a lower earnings limit; whistleblowing
 protection for sexual harassment disclosures; establishment of a new Fair Work Agency; streamlined trade union
 recognition and electronic / workplace balloting; and the start of voluntary gender pay gap and menopause action
 plans.
- October 2026: much tighter rules on "fire and rehire"; extended time limits for bringing employment tribunal claims; a new duty to take "all reasonable steps" to prevent sexual harassment (including by third parties); and a wider package of trade union and industrial-relations changes.
- 2027: stronger protection for pregnant workers and returners from maternity leave; changes to flexible working
 and bereavement leave; new rights for zero-hours and low-hours workers (including agency workers) to secure
 hours and receive pay for cancelled shifts; mandatory gender pay gap and menopause action plans; and further
 measures on collective redundancy, trade union law and umbrella companies.

What employers should do now

With the Bill's passage through Parliament now at its end stage, businesses should now be monitoring for further detail on the reforms, including tracking the various Government consultations as well as stress-testing contracts, policies and workforce models against the roadmap so they can move quickly once commencement dates are confirmed. Of utmost importance will be rolling out training to management once the final details are known.

In the New Year, Vedder Price's London Employment Team will be hosting 30-minute micro-webinars on how the law is changing and what businesses need to do to ensure compliance. The series will examine each of the reforms in detail, giving guidance around the law, along with suggested steps that employers should be taking with regard to each measure.

Times and dates for these events will be released in due course.

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