

Newsletter - Employment Law Update November 2025

- 1. Forthcoming Legal Changes which will require amendments to Employment Contracts.**
- 2. Statutory Pay Rates April 2026**

1. Forthcoming Legal Changes which will require amendments to Employment Contracts.

April 2026

Key measures planned for April 2026 include:

- ‘Day 1’ maternity, paternity, shared parental leave and unpaid parental leave (i.e., rights from first day of employment). For example, currently a Mother has to have been employed for 26 weeks at week 25 of her pregnancy to qualify for statutory payments, this will no longer apply.
- Removing the Lower Earnings Limit (LEL) and waiting-period for Statutory Sick Pay (SSP) — meaning SSP from day one rather than waiting 4 days. Anyone who earns under £125 per week currently doesn’t qualify. From April they will be entitled to 80% of their normal pay if it is below £125 per week, and this will be paid from day one of their sick leave.
- Doubling the maximum period of the protective award for collective redundancy failures.
- Establishment of the new Fair Work Agency (or framework for it) to enforce rights. The Employment Rights Act 2025 (currently the Employment Rights Bill) will create the Fair Work Agency, who will have a number of statutory powers:
 - The ability to bring Employment Tribunal claims on behalf of workers – even if they don’t want to claim themselves.
 - The power to offer legal assistance for employment cases, with the Fair Work Agency’s costs potentially recoverable from Companies if the claim succeeds.
 - The authority to pursue Companies for unpaid holiday pay and sick pay, and impose financial penalties on top which go straight to the government.
 - Companies who previously relied on Employee reluctance to claim may now find the Fair Work Agency stepping in instead.

Proposed powers of the Fair Work Agency:

- **Entry to Company Premises:** FWA officers are authorized to enter business premises to examine documents, require individuals to produce records, and inspect equipment used for processing or storing information. They also have the authority to seize relevant documents during their investigations.
- **Entry to Private Dwellings:** In certain circumstances, FWA officers may enter private residences of Company Officers if Company work activity is conducted at the premises. To do so, they must obtain a court warrant, demonstrating reasonable grounds for entry. This measure acknowledges the increasing prevalence of home- working and aims to ensure compliance with employment laws in such settings.

- Arrest Powers: Enforcement officers will possess powers comparable to those of the police, including the ability to make arrests during investigations into Employment Law breaches.

October 2026

A further wave of reforms is planned for October 2026.

- Some key changes here:
 - Prohibitions / restrictions on “fire and re-hire” practices.
 - New obligations on employers regarding sexual harassment (e.g., taking “all reasonable steps”, duty to prevent third-party harassment).
 - Time limits for Employment Tribunal claims to be extended (e.g., 6 months for many claims).
 - Strengthened trade union rights (employer must inform workers of right to join, union access rights, etc.).
 - Additional reforms in areas such as public sector outsourcing two-tier code, tipping law reform, etc.

2027 and beyond

Some of the more significant reforms are slated for 2027 or later.

- Month 6 protection from unfair dismissal (i.e., removal of the 2-year qualifying period) for many employees.
- Rights for pregnant workers; regulation of umbrella companies; ending exploitative use of zero-hours contracts (ZHCs) and applying ZHC reforms to agency workers.
- Mandatory menopause action plans and gender pay gap outsourcing measure (voluntary from April 2026, more likely mandatory in 2027).

2. Statutory Pay Rates from April 2026

Minimum Wage from April 2026

Workers aged 21 and over (National Living Wage)	£12.71
Workers aged 18 – 20	£10.85
Workers under 18, apprentices under 19, or over 19 in first year	£8.00

PROFILE

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