

Employment Rights Act 2025

Are You Ready for January 2027?

A free checklist for small employers: what to check, update and do, in plain English, with a box to tick for each step.

UPDATED OCTOBER 2026

The Employment Rights Act 2025 is the biggest change to UK employment law in a generation, and it applies to every employer in England, Scotland and Wales, whatever its size. It is arriving in stages. Some changes are already in force, more arrive this autumn, and the one that will affect small businesses most starts on **1 January 2027**, when staff can claim unfair dismissal after six months instead of two years. Work through this checklist one section at a time and tick each item off as you go.

The key dates

April 2026	Statutory Sick Pay from the first day of sickness, including for lower earners. Paternity leave and unpaid parental leave from the first day of employment. Holiday and holiday pay records kept for six years. The Fair Work Agency starts enforcing employment rights.
1 October 2026	Six months, instead of three, to bring most employment tribunal claims.
30 October 2026	Employers must take all reasonable steps to prevent sexual harassment, and can be liable for harassment by customers, clients and other third parties.
By the end of 2026	Employers with a tipping policy must consult staff when creating or reviewing it.
1 January 2027	Unfair dismissal protection after six months' service, and no cap on compensation. Employers must tell workers about their right to join a trade union.
January 2027 (expected)	Dismissing staff and rehiring them on worse terms ("fire and rehire") becomes automatically unfair in most cases.
Later in 2027	A stricter test for refusing flexible working, guaranteed hours for zero and low hours workers, bereavement leave, and stronger protection for pregnant workers and new parents. Dates still to be confirmed.

IN FORCE SINCE APRIL 2026

1. Catch up on the changes already here

- ☐ Your sickness absence policy and payroll pay **Statutory Sick Pay from the first day** of absence, including for staff on lower pay.
- ☐ Your family leave policies say that **paternity leave and unpaid parental leave** apply from the first day of employment.
- ☐ You keep **records of holiday and holiday pay** for every worker, and keep them for six years.
- ☐ Your whistleblowing policy covers **reports of sexual harassment**.

FROM 1 OCTOBER 2026

2. Keep better records, for longer

- ☐ Managers write a short note of **meetings, decisions and the reasons** for them, especially about conduct, performance and complaints.
- ☐ You keep those records for longer, because most claims can now be brought **up to six months** after the event.

FROM 30 OCTOBER 2026

3. Prevent harassment, including by third parties

- ☐ Your harassment policy is up to date and covers **customers, clients, contractors** and members of the public.
- ☐ You have a simple written **risk assessment**: where and when could harassment happen in your business, such as at client sites, events or in customer facing roles?
- ☐ Staff have a **clear and safe way to raise concerns**, and every complaint is acted on and recorded.
- ☐ Managers and staff have been **trained**, and you have kept a record that the training happened.
- ☐ You review the policy and risk assessment **regularly**, and after any complaint.
- ☐ If you run a hospitality business with a **tipping policy**, you have consulted staff on it before the end of 2026.

FROM 1 JANUARY 2027

4. Get ready for unfair dismissal after six months

- ☐ You have listed everyone who will have **six months' service on 1 January 2027**. That includes anyone who joined on or before 1 July 2026.
- ☐ Your **probation periods** end comfortably within six months, and contracts say how probation can be extended.
- ☐ Probation is real: clear expectations from the first day, **regular review meetings** and a written note of each one.
- ☐ Any current **performance or conduct concerns** are being dealt with fairly and promptly, not left to drift.
- ☐ Your **disciplinary, capability and grievance procedures** are current, and managers know how to use them.
- ☐ You have budgeted for the risk: with **no cap on compensation**, getting a dismissal wrong could cost far more than before.

FROM JANUARY 2027

5. Trade unions and changing terms

- ☐ You have a plan to **tell workers about their right to join a trade union**, for example in your offer letters and handbook. The government is confirming exactly how this must be done.
- ☐ You have reviewed any plans to **change staff terms and conditions**, and will take advice before proposing changes, because "fire and rehire" is expected to become automatically unfair in most cases.

LATER IN 2027

6. Look ahead

- ☐ You are ready to give a **reasonable, written business reason** if you refuse a flexible working request.
- ☐ If you use **zero hours or low hours contracts**, you have looked at how the guaranteed hours rules will affect your rotas.
- ☐ Your handbook has room for **bereavement leave** and stronger protection for **pregnant workers and new parents**.
- ☐ Your contracts and settlement agreements have been checked for **confidentiality clauses** that could stop staff speaking about harassment or discrimination. Such clauses in non-disclosure agreements will become void.

Not Sure Where to Start?

Personalised HR Support That Grows With Your Business

If this feels like a lot, you don't have to work through it alone. Our **free HR Health Check** looks at your contracts, policies and processes, highlights any risks or gaps, and gives you clear recommendations on what to update before January. There's no obligation and no sales pitch.

We support small businesses across Hull, East Yorkshire, York, Leeds, Harrogate and Sheffield with retained HR support, or help as and when you need it.

BOOK YOUR FREE HR HEALTH CHECK

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This checklist is general guidance based on the government's published timetable and Acas guidance as at October 2026. It isn't legal advice. Some dates and details are still being confirmed through consultation, so check the latest position on GOV.UK and Acas, or speak to us about your business.

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