



Employment Rights Bill: 10 key policies employers need to revamp

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Employment Rights Bill: 10 key policies employers need to revamp



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The Employment Rights Bill packs an imposing number of employment law reforms into its 330 pages. With Royal Assent imminent, we outline the key policies that you will need to update.

Initially presented to Parliament in October 2024 as a 159-page document, the Employment Rights Bill has since undergone significant expansion due to substantial amendments and additions.

The Bill is expected to receive Royal Assent in November 2025, at which point it will transform into an Act. But the legislative process does not end there. Despite its length and complexity, the Act will function mainly as a framework. Its full practical effects will only become clear once the relevant regulations, codes of practice and updated guidance have been published.

The Government has confirmed that the reforms will be introduced in phases, with certain provisions taking effect in 2025, others in April 2026, some in October 2026 and the final measures in 2027.

It is too early for us to provide a definitive analysis on how to revamp your HR policies. Nevertheless, we know that employers are keen to make the most of the current breathing space. While we wait for the finer detail, there are several things that HR can start thinking about now to stay ahead of the curve.

1. Sickness absence policy

What is changing?

The Bill includes provisions to remove the requirement to earn at or above the lower earnings limit and the three-day waiting period to qualify for statutory sick pay (SSP).

This means that SSP will be available from day one. Additionally, SSP for those earning below the current rate of SSP will be set at 80% of average weekly earnings.

According to the Government's roadmap, these changes will take effect in April 2026.

What needs updating?

Any [sickness absence policy](#) will need to be updated to ensure that:

- any reference to the three-day waiting period and lower earnings limit has been removed;
- it explains that all employees are eligible to statutory sick pay from the first full day of their sickness absence (rather than the fourth); and
- it provides that all employees are entitled to statutory sick pay, regardless of their weekly earnings.

What is pending?

The Government will implement reforms to the sick pay rules through regulations.

2. Paternity leave policy

What is changing?

The Bill removes the qualifying periods for paternity leave, making it a day-one right. It also provides that the current restriction that prevents parents from taking paternity leave if they have already taken shared parental leave will be removed.

According to the Government's roadmap, this change will take effect in April 2026.

What needs updating?

Any [paternity leave policy](#) will need to be updated to ensure that:

- any reference to the requirement of being employed for 26 weeks (15 weeks before the expected week of childbirth) to qualify for the right to take paternity leave has been removed;
- it makes it clear that statutory paternity leave is available to all employees from the first day of their employment; and

- it provides that employees have the option to take paternity leave and pay after taking shared paternity leave and pay.

Additionally, any shared parental leave policy will need to be updated to ensure that it also provides that employees can take paternity leave and pay after shared paternity leave and pay.

What is pending?

The Government will implement reforms to the paternity leave rules through regulations.

3. Parental leave policy

What is changing?

The Employment Rights Bill removes the qualifying period of one year's service to be eligible to take parental leave, making it a day-one right.

According to the Government's roadmap, this change will take effect in April 2026.

What needs updating?

The [parental leave policy](#) will need to be updated to ensure that:

- any reference to the requirement of being employed for one year to qualify for the right to take parental leave has been removed; and
- it makes it clear that the right to take parental leave is available to all employees from the first day of their employment.

What is pending?

The Government will implement reforms to the parental leave rules through regulations.

4. Anti-bullying and anti-harassment policy

What is changing?

The Bill imposes a duty on employers to take *all* reasonable steps to prevent sexual harassment from occurring in the workplace, instead of just reasonable steps.

Additionally, the Bill includes provisions that hold employers liable for third-party harassment if the employer fails to take all reasonable steps to prevent it. This liability is not just limited to sexual harassment, but extends to harassment on the grounds of:

- age;
- disability;
- gender reassignment;

- race;
- religion or belief;
- sex; and
- sexual orientation.

The term "third party" is defined as anyone other than the employer or a fellow employee.

According to the Government's roadmap, these changes will take effect in October 2026.

What needs updating?

Any [anti-bullying and anti-harassment policy](#) will need to ensure that it:

- defines bullying and harassment and provides clear examples of what amounts to bullying and harassment;
- makes a firm commitment to taking proactive measures, such as providing training and undertaking risk assessments, to prevent all forms of bullying and harassment;
- includes a robust procedure for reporting and responding to complaints; and
- is extended so that it covers bullying and harassment by third parties.

What is pending?

Although not confirmed, there is likely to be further consultation on the detail of the regulations.

Additionally, the Government is expected to introduce new regulations that will define what amounts to "reasonable steps" to prevent harassment. These steps may include conducting assessments, publishing plans or policies, and other steps relating to the reporting of harassment and handling of complaints. Curiously, these regulations are due to be introduced in 2027, after the changes have come into effect.

5. Varying terms and conditions policy

What is changing?

The Bill includes provisions to significantly limit the practice of dismissal and re-engagement (commonly referred to as "fire and rehire").

Under the Bill, a dismissal will be automatically unfair if the reason for the dismissal is because the employee refuses to accept a "restricted variation" to their contract. It will also be automatically unfair to dismiss an employee if the principal reason for the dismissal is to employ another person to do the same work as the dismissed employee, or to rehire the dismissed employee to carry out the same work but under new terms that include the restricted variations.

There is a narrow exception for the employer if it can show evidence of financial difficulties and that the need for the change to contractual terms was unavoidable.

According to the Government's roadmap, these changes will take effect in October 2026.

What needs updating?

Any [varying terms and conditions policy or procedure](#) will need to ensure that:

- it makes a firm commitment not to use fire and rehire practices unless there are financial difficulties that make it unavoidable; and
- it outlines a robust consultation process that is applicable in situations where fire and rehire practices are permitted.

What is pending?

The Government is expected to consult on reforms to fire and rehire practices in autumn 2025.

The Government is also expected to introduce new regulations to set out further variations that are restricted. Additionally, the existing code of practice on dismissal and re-engagement is likely to need substantial updates or be replaced in its entirety.

6. Flexible working policy

What is changing?

Under the Bill an employer will be able to refuse a flexible working request on one of the existing grounds only if it is reasonable to do so. Additionally, if the employer refuses a request, it must notify the employee of the ground for refusal and why the refusal is reasonable.

According to the Government's roadmap, these changes will take effect in 2027.

What needs updating?

Any [flexible working policy](#) will need to ensure that it:

- makes it clear that a request for flexible working will not be refused by the employer unless it is reasonable to do; and
- includes an obligation on the employer to provide written reasons for any refusal and why the refusal is considered to be reasonable.

What is pending?

The Government is expected to consult on reforms to flexible working in late 2025 or early 2026.

There may be additional regulations that specify what steps an employer will need to take to consult with an employee prior to refusing a request. If regulations are introduced, the Acas code of practice on requests for flexible working will also need to be updated.

7. Probation policy

What is changing?

The Bill introduces a new statutory probationary period during which employers can adopt a lighter-touch approach when dismissing employees.

According to the Government's roadmap, this change will take effect in 2027.

What needs updating?

Any [probation policy](#) should be updated to set out:

- the length of the statutory probationary period;
- how performance will be managed during the statutory probationary period; and
- the lighter-touch dismissal procedure that will apply during this time.

Additionally, any disciplinary procedure and performance improvement procedure will need to be updated and/or cross-referenced with the probation policy to:

- ensure that they are all consistent; and
- reflect the different standards that apply to the dismissal procedure both during and after the statutory probationary period.

What is pending?

The Government is expected to consult in autumn 2025 on several aspects of these reforms, including the length of the statutory probationary period, the full scope of the lighter-touch dismissal procedure, and how these reforms will interact with the Acas code of practice on disciplinary and grievance procedures.

We are also awaiting regulations that will provide clarity on how the lighter-touch dismissal process will work in practice.

8. Onboarding policy

What is changing?

The two-year service requirement for unfair dismissal will be removed, which means that employees will be able to claim ordinary unfair dismissal from the first day of their employment.

According to the Government's roadmap, this change will take effect in 2027.

What needs updating?

This reform highlights the need to ensure that employees are effectively onboarded since a good onboarding experience can have a huge impact on retention.

Any [onboarding policy](#) should be updated to ensure that it clearly explains:

- what the onboarding programme might cover;
- how the onboarding programme will be delivered; and
- any other initiatives to ensure the employee is given the best possible start in their role.

What is pending?

As mentioned above, the Government is expected to consult on reforms to the unfair dismissal rules in autumn 2025.

9. Redundancy policy

What is changing?

Currently, the duty to collectively consult arises where an employer is proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days.

The Employment Rights Bill provides that the requirement to collectively consult will also be triggered where a different threshold is met. This new threshold has not yet been defined in regulations but is likely to involve a calculation across the entire organisation.

According to the Government's roadmap, this change will take effect in 2027.

What needs updating?

The [redundancy policy](#) will need to be updated to ensure that any provision limiting collective consultation to 20 or more proposed redundancies within 90-day period at one establishment is amended and includes the new threshold test.

What is pending?

The Government is expected to consult on reforms to collective redundancy in late 2025 or early 2026.

Further regulations are expected to confirm the new threshold test.

10. Bereavement leave policy

What is changing?

The Bill introduces a new statutory right to bereavement leave, allowing all employees who lose a loved one to take leave from work.

According to the Government's roadmap, this change will take effect in 2027.

What needs updating?

Any [compassionate leave policy](#) or [bereavement leave policy](#) will need to be updated to reflect the new statutory right to bereavement leave. The policy will need to explain:

- how much bereavement leave the employee is entitled to;
- that the leave is available to all employees from the first day of their employment;
- the specific relationship that the employee needs to have with the deceased to qualify for the right;
- the period of time within which the leave must be taken;
- the process for requesting leave; and
- that the leave will be unpaid (unless of course the employer decides to offer paid leave).

What is pending?

The Government has confirmed that it will consult on the new right to bereavement leave in autumn 2025.

Further regulations are expected to confirm the length of leave (anticipated to be at least one week), the time frame for taking it, the criteria for determining eligibility, and details on how the leave can be taken.