

PROPOSED EMPLOYMENT LAW CHANGES

UNFAIR DISMISSAL

Employees will be protected from unfair dismissal from the first day of employment, in line with fair probationary arrangements



- Organisations may need to update employee handbooks, contracts of employment or probation / performance management policies.
- Managers should be briefed in detail on these changes prior to their introduction.
- Following these changes it will become even more important to ensure a comprehensive and well-managed induction / probation period, with clearly defined and communicated objectives.
- Organisations may wish to undertake a review of these processes now to establish effectiveness, and areas for improvement.

ETHNICITY PAY REPORTING

Ethnicity Pay Reporting will become compulsory for employers with at least 250 employees.



- Ethnicity pay reporting is likely to follow a similar approach to gender pay reporting.
- Larger organisations may wish to consider looking at the availability and quality of their current data and taking steps to prepare for producing reports, identifying any areas that need immediate action.

EQUAL PAY CLAIMS

The right to make equal pay claims will extend to black, Asian and minority ethnic and disabled workers.



- It is likely that equal pay legislation will follow a similar format to the existing Equal Pay Act, although this detail is not yet available.
- Preparing for ethnicity pay reporting (on page 1 above), will help to identify any areas of potential risk in relation to equal pay claims.

ZERO-HOURS CONTRACTS



Outlawing the use of zero-hours contracts classed as 'exploitative'. Also, employees will have a new right to a contract that reflects hours they regularly work (as judged against a 12-week reference period)

- Organisations that currently use zero-hours contracts should start to plan for these potential changes.
- This can include identifying the number of individuals on such contracts, and whether, in light of the proposals, this form of engagement is still the most suitable for operational needs or identifying whether these zero-hours workers are actually employees and should be moved onto a standard employment contract.
- Businesses may also wish to identify how they will manage a 12-week reference period and how they will monitor hours worked on an ongoing basis.

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FLEXIBLE WORKING



The government intends to ensure flexible working (a day-one right since April 2024) is the default for all workers from day one (apart from when it is not reasonably feasible)

- Employees already have the right to request flexible working from day one of their employment.
- However, this proposal may require businesses to take a more proactive approach, working from an assumption that flexible work should be provided unless there is a good reason not to – think Covid!
- The manifesto talks about encouraging a range of flexible working patterns including flexi-time and work patterns that accommodate school terms/ hours.
- Businesses may wish to review the forms of flexible working that they currently offer and consider how they may assess roles for greater flexibility in the future.
- When the necessary detail becomes available, flexible working policies and processes will need to be updated.
- Managers will need to be briefed on the changes.
- Recruitment processes may also need to be revised to reflect earlier conversations during interview stages about flexible working opportunities.

UNLAWFUL DISMISSALS



It will become unlawful to dismiss a woman who has had a baby for six months after she comes back to work (with some exceptions)

- When the details are available, maternity and redundancy policies will need to be updated. Managers will need to be briefed on the relevant changes.
- Businesses who have plans for any re-structuring should factor this potential change into decision-making.

DISABILITY PAY REPORTING



Disability Pay Reporting will become compulsory for employers with at least 250 employees.

- Disability pay reporting is likely to follow a similar approach to gender pay reporting.
- Larger organisations may wish to consider looking at the availability and quality of their current data and taking steps to prepare for producing reports, identifying any areas that need immediate action.

PARENTAL LEAVE

Make 'parental leave' a day-one right



- When the necessary detail is available, parental policies and any associated guidance and processes will need to be updated.
- Managers will also need to be briefed on the relevant changes.
- Businesses should also notify employees of these changes and confirm when they are taking effect.

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FIRE AND REHIRE RESTRICTIONS



The government intends to reform the law to further restrict 'fire and rehire' and 'fire and replace' practices and replace the new statutory code.

- It is possible that there will be an outright ban on 'fire and rehire' practices, making such dismissals unlawful.
- There is a current statutory code related to fire and rehire that came into force on 18 July 2024 and this needs to be adhered to until any changes take effect.

GENDER PAY GAP REPORTING



Gender Pay Gap Reporting Action plans must be published and outsourced (contractors/freelancers etc) individuals must be included in reports.

- Currently, organisations are not required to publish an action plan, although some already do. Action plans should explain how the organisation intends to reduce its gender pay gap, ideally including targets and timelines.
- Organisations should review where they will require additional data in relation to outsourced individuals and how this will be captured, recorded and monitored. Organisations who do not currently put together an action plan should plan for how they will meet this requirement.

TRADE UNION CHANGES



Trade Union Changes proposed, include new rights for trade unions to access workplaces in a regulated and responsible manner, on appropriate notice, a simplified process of statutory union recognition and the repeal of the Strikes (Minimum Service Levels)

- When the necessary detail is available, any relevant policies will need to be updated where the organisation currently recognises trade unions.
- Depending on the nature of the changes, it may also be necessary to update any existing collective bargaining agreements or other documents such as contracts of employment, to reflect any changes in rules or procedures.

SICK PAY CHANGES



Sick Pay changes - include requiring statutory sick pay to be paid from day one of sickness rather than day four, sick pay becoming a day-one right and the lower earnings limit being removed.

- Relevant policies, documents and processes will need to be updated. This may include attendance or absence policies, contracts of employment, and any forms such as return to work forms.
- Managers should also be briefed on the changes.
- Engage with any external providers, such as payroll providers, early on to ensure they're aware of changes and correctly paying sick pay for your business.
- Businesses should also notify employees of these changes and confirm when they are taking effect.

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