

Employment Rights Act Factsheet

While some of the new Employment Rights Act laws are being enforced soon, there are still lots of changes to happen throughout 2026 and into 2027.

Here at Cinnamon HR Consultancy, we've organised the implementation of the new laws via different phases to help you know when changes need to be made.

Here are the different Employment Rights Act phases that you need to be aware of

Phase 1: Laws effective 6th April 2026

New law	What you need to do
Changes to Statutory Sick Pay (SSP from Day 1, no lower earnings limit)	Update your payroll systems. Review sickness absence policy and template letters. Strengthen attendance management process to reduce absence costs.
Day 1 Paternity Leave & Unpaid Parental Leave	Update your absence policies. Brief managers. Prepare for earlier absences from new starters.
Bereaved Partner's Paternity Leave	Update your absence policy. Ensure managers handle requests consistently and compassionately.
Establishment of the Fair Work Agency	Audit compliance (holiday pay, sick pay, contract of employment). Ensure records are accurate and accessible.
Strengthened whistleblowing protections (including sexual harassment)	Update your whistleblowing policy. Add clear reporting routes. Train managers to handle concerns early.
Simplified trade union recognition process	Ensure management understands employee rights. Keep communication open to prevent disputes.
Extended collective redundancy protective awards (up to 6 months' pay)	Plan restructures early. Consult properly. Keep written records. Take advice before large-scale redundancies
Holiday pay record keeping - requirement to maintain adequate records for a minimum 6 years.	Ensure that you are able to evidence annual leave taken, leave carried over, holiday pay calculations, payments in lieu of untaken leave. Records must be clear, accurate and accessible.

Impact of non compliance: Tribunal claims risks, unlimited compensation, reputational damage, Fair Work Agency audits.

Phase 2: Prepare for 6-month dismissal rights ready for 1st July 2026

This law is being enforced in January 2027, which means that anyone you employ from 1st July 2026 has the right to claim unfair dismissal after just 6 months of service.

New law	What you need to do
Unfair dismissal qualifying period reducing to 6 months (effective January 2027)	Tighten your recruitment process, strengthen recruitment decisions. Improve onboarding process. Use probation periods effectively. Ensure dismissal processes are fair and documented from day one.

Impact of non compliance: higher Tribunal claims risks and unlimited compensation, reputational damage, Fair Work Agency audits.

Phase 3: Laws to be enforced in October 2026 (actual date tbc)

New law	What you need to do
Duty to prevent sexual harassment (including third-party harassment)	Update your harassment policy. Provide training to all. Set clear behaviour expectations in your code of conduct. Create simple reporting routes.
Obligation to inform employees of their right to join a union.	Update offer letter and HR policies. Communicate rights clearly and consistently.
Stronger Trade Union access rights.	Prepare for union engagement. Train managers to handle discussions if applicable.
Further recognition process reforms	Keep policies aligned with updated union procedures. Avoid reactive decision-making
Tighter tipping rules	Review your payroll and gratuity recording processes. Update your Tipping Policy. Ensure transparency and fairness.

Impact of non compliance: higher Tribunal claims risks and unlimited compensation, reputational damage, Fair Work Agency audits.

Phase 4: Laws to be enforced in 2027 (actual dates tbc)

Major ERA changes expected in 2027;

New law	What you need to do
Unfair dismissal qualifying period reduced to 6 months	Ensure all dismissals follow fair process as documented in your disciplinary policy. Keep detailed records
Potential uncapped compensatory awards	Reduce risk exposure by improving compliance and documentation
Enhanced protections for pregnant women & new mothers	Update your maternity policies. Train managers on discrimination risks.
Flexible working changes	Review flexible working processes. Ensure consistent decision-making.
Statutory bereavement leave (including pregnancy loss)	Create a clear and compassionate leave policy. Apply decisions consistently.
Ending exploitative zero-hours practices (guaranteed hours & shift compensation)	Track working patterns. Review any casual and zero hour contracts. Improve rota planning.
Regulation of umbrella (intermediary) companies	Audit contractor providers. Move to compliant partners early.
Fire and rehire becoming automatically unfair (in most cases)	Avoid using dismissal to force contractual changes. Consult early. Seek agreement. Take HR advice before changing terms. Plan restructures well in advance.


Impact of non compliance: higher Tribunal claims risks and unlimited compensation, reputational damage, Fair Work Agency audits.


We're here to help


If you're concerned about compliance, do reach out for a quick review.

We can have a confidential chat and complete a short impact assessment for you to determine what laws will affect your organisation and what you need to do to stay legally compliant.

You don't need to navigate the changes alone.

 www.cinnamonhr.co.uk

 +44 (0) 7456538677

 hello@cinnamonhr.co.uk