

Employment Rights Act *reforms*



The Employment Rights Act was passed on 18 December 2025 and the UK Government has now published its implementation roadmap for the Employment Rights Act reforms, setting out a phased programme of significant changes to employment law expected to be introduced between 2026 and 2027.

For employers, the direction of travel is clear: greater protection for workers, stronger enforcement powers and additional responsibilities for businesses. While the reforms will be introduced gradually, many employers will need to review employment contracts, workplace policies and HR processes well in advance of the changes coming into force.

Early reforms from April 2026

These measures focus largely on expanding worker protections and strengthening enforcement.

- **Day one rights to paternity leave and unpaid parental leave**, removing the current service requirements for these entitlements.
- **Changes to statutory sick pay**, including the removal of the lower earnings limit and the waiting period so that statutory sick pay becomes payable from the first day of sickness absence rather than the fourth.
- **Enhanced whistleblowing protections**, extending safeguards for individuals who raise concerns about wrongdoing in the workplace.
- The creation of a new **Fair Work Agency**, which will bring together enforcement powers currently spread across multiple regulators and will oversee compliance with a range of employment rights, including minimum wage and holiday pay.
- **Reforms to trade union recognition and balloting processes**, including the potential introduction of electronic balloting and strengthened protections for employees participating in trade union activity.

Employer responsibilities increasing from late 2026

Later phases of the reforms are expected to place greater obligations on employers themselves.

These include:

- A strengthened **duty on employers to take reasonable steps to prevent sexual harassment**, including harassment by third parties such as customers or clients.
- **Restrictions on the use of “fire and rehire” practices**, meaning employers will only be able to dismiss and re-engage staff on new terms in limited and tightly defined circumstances.
- New legal rules governing **fair tipping practices**, aimed at ensuring tips and service charges are distributed fairly among workers.
- Changes to **employment tribunal time limits**, with most claims expected to have a six-month limitation period rather than the current three months.

Significant structural changes expected from 2027

Some of the most significant reforms are expected to follow in later phases of the roadmap.

On 1st January 2027 standard protection from unfair dismissal will become a right after 6 months in a job, rather than the current 2 years.

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Employing older workers



With skills shortages affecting many business sectors and people living and working longer than ever before, employers are increasingly recognising the benefits of recruiting and retaining workers aged over 50.

For many businesses, older workers represent a valuable and often underused source of talent and knowledge. Whether through retaining experienced employees or bringing in new hires later in their careers, organisations can benefit from the experience, reliability and perspective that older workers bring to the workplace.

Employers should also be mindful of their legal obligations under the Equality Act 2010. Age is a protected characteristic under the Act, which means workers must not be treated unfairly because of their age during recruitment, employment or dismissal. This includes avoiding assumptions about an individual's ability, performance or career ambitions based solely on age.

Employers should ensure that recruitment processes, training opportunities, promotion decisions and redundancy selections are based on objective criteria rather than age-related stereotypes. Taking a fair and inclusive approach not only helps businesses comply with the law but also supports a workplace culture that values the contribution employees can make at every stage of their careers.

Experience and practical knowledge

One of the most obvious advantages of older workers is their depth of experience. Many will have spent decades developing technical expertise, industry knowledge and professional networks.

This can translate into stronger decision-making and problem-solving skills in the workplace. Experienced employees often bring a practical understanding of how businesses operate and may require less supervision or training when beginning a role.

Older workers can also play an important role in mentoring and supporting younger colleagues.

Passing on knowledge and experience helps develop future talent within the business and strengthens overall team performance.

Reliability and retention

Another commonly cited advantage is reliability. Many employers report that older workers tend to demonstrate strong work ethic and commitment to their roles.

Older employees are also often more likely to stay in a job for longer, which can help reduce staff turnover and the costs associated with recruiting and training new employees.

For employers looking to build stable teams and maintain continuity within their business, this can be a significant advantage.

Many people aged over 50 either wish to remain in work or return to employment later in life. Making more roles accessible to this group can widen the available talent pool and help employers fill vacancies more quickly.

In addition, flexible working arrangements, part-time roles or consultancy arrangements can allow businesses to benefit from experienced professionals while offering individuals the flexibility they may be looking for later in their careers.

Looking ahead

As people live longer and careers extend further into later life, the role of older workers in the workforce will continue to grow.

Employers, recognising the value of this talent pool can bring real advantages. Retaining experienced staff and attracting older applicants can strengthen teams, improve knowledge sharing and help businesses respond to ongoing recruitment challenges.

Taking a proactive approach to supporting and engaging older workers can therefore be not only good for employees, but good for business too.

If you would like advice or support to help you retain or attract older workers to your business, get in touch with our Employment team today.

Employment Rights Act reforms

...Continued from page one

The reforms will also introduce **stronger protections for workers on zero-hours or low-hours contracts**. Workers who regularly work consistent hours may gain the right to request a contract reflecting their normal working pattern.

In addition, the government has indicated that **flexible working rights will be strengthened**, with employers facing stricter requirements when refusing requests for flexible working arrangements.

Other reforms under consideration include greater regulation of **umbrella companies and agency worker arrangements**, reflecting growing scrutiny of employment practices in these areas.

The government is consulting on some of these issues until 1st April 2026.

What this means for employers

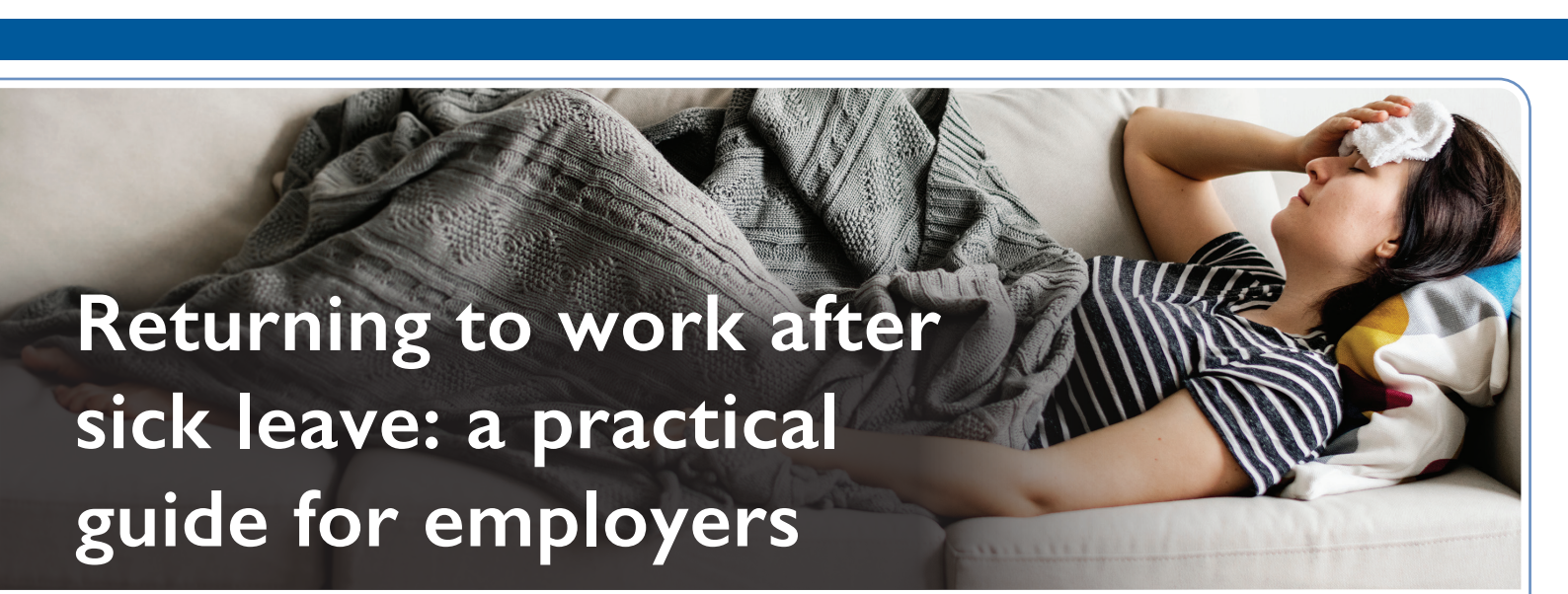
Although the implementation timetable provides businesses with time to adapt, the scale of the reforms means employers should begin preparing now.

Many employment contracts, policies and staff handbooks will need to be reviewed and updated. In particular, employers should start considering how these changes may affect areas such as sickness absence policies, flexible working procedures, disciplinary processes and workforce planning.

The creation of the Fair Work Agency also signals a shift towards stronger enforcement of employment rights, increasing the importance of ensuring internal policies and procedures remain compliant.

For many businesses, particularly SMEs without in-house HR teams, taking advice early will help ensure the transition to the new regime is managed smoothly.

If you would like support reviewing your employment documentation or preparing your business for the upcoming reforms, the employment team at Gullands Solicitors can help guide you through the changes.



Returning to work after sick leave: a practical guide for employers

When an employee returns to work after a prolonged sickness absence, it is important for employers to handle the situation carefully. A well-managed return can support the employee's recovery, reduce the risk of further absence and help maintain a positive working environment.

Clear procedures and early communication are therefore key. Employers should ensure their organisation has a consistent approach to sickness absence and returning to work, set out in an absence or sickness policy. Having a clear policy helps clarify expectations for both managers and employees and ensures situations are handled fairly and consistently.

Hold a return-to-work meeting

A return-to-work meeting is considered good practice when an employee comes back after being off sick for a long period. Although not a legal requirement, it provides an opportunity to confirm the employee is ready to return and to discuss any support they might need.

These meetings are often informal discussions between the employee and their line manager and should take place either just before the employee returns or as soon as possible afterwards.

During the meeting, employers may wish to discuss:

- whether the employee feels well enough to return to work
- any updates or changes that occurred during their absence
- whether the employee requires any support or workplace adjustments
- how much information the employee would like colleagues to know about their absence

The conversation should take place privately and sensitively, with any personal information treated confidentially.

Consider medical advice and fit notes

If an employee has been absent due to illness for more than seven days, they will normally provide a medical "fit note" from their GP or healthcare professional.

Sometimes a fit note may state that the employee "might be fit for work" if certain adjustments are made. These recommendations may include changes such as lighter duties, altered hours or temporary workplace adjustments.

Employers should carefully consider any medical advice and discuss with the employee how these recommendations could be implemented in practice. If the suggested adjustments are not feasible, the employee may remain classed as unfit for work until they are able to return fully.

In some cases, it may also be appropriate to obtain further medical advice through occupational health to help assess whether the employee is able to return safely and what support might be needed.

Phased returns and workplace adjustments

For employees returning after longer periods of absence, a phased return to work can often be beneficial. This involves gradually increasing working hours or responsibilities while the employee continues to recover.

Examples of a phased return may include:

- temporarily reduced working hours
- lighter duties or alternative tasks
- a gradual increase in workload over time

The length and structure of a phased return should be agreed between the employer and employee and reviewed regularly to ensure it remains appropriate.

If an employee's condition amounts to a disability under the Equality Act 2010, employers must consider whether reasonable adjustments are required to support them in returning to work. These adjustments may include changes to working patterns, duties or the workplace environment.

Communication and support

Maintaining good communication throughout the absence and return-to-work process can make a significant difference. Employees who have been off work for a prolonged period may feel anxious about returning or worried about how their absence will be perceived.

Regular contact during the absence and a supportive approach on return can help ease this transition and reduce the likelihood of further problems. Employers should focus on understanding the employee's circumstances and working together to agree a practical plan for returning to work.

Getting the process right

Handling a return from sickness absence properly is not just about compliance. A clear and fair process helps protect the business, supports employee wellbeing and reduces the risk of disputes or potential claims.

Employers should ensure their sickness absence procedures are regularly reviewed and that managers understand how to conduct return-to-work discussions sensitively and consistently.

If you would like advice on managing sickness absence or reviewing your organisation's employment policies, the employment team here at Gullands Solicitors can help ensure your procedures remain legally compliant and effective.

Speed of the deal: *why it matters when buying or selling a business*

Speed can be a critical factor in corporate finance transactions. In mergers and acquisitions, the old adage that “time kills deals” often proves true. The longer a transaction takes, the greater the risk that circumstances will change.

A well-managed and efficient deal process helps to reduce the impact of market volatility, protects agreed valuations and minimises disruption to the day-to-day running of the business. It can also reduce the risk of losing key employees or customers who may become unsettled by uncertainty.

We recently completed a multi-million pound transaction for a client in just ten days because the buyer needed to draw down funds before a key deadline. While this was unusually fast, it demonstrates what can be achieved when both parties are motivated and properly prepared.

Typically, a business sale will take around three months to complete, although this can vary depending on the complexity of the transaction and how prepared the seller is. Preparing the business properly in advance can make a significant difference and help avoid delays during the due diligence process.

Why timing matters

Sometimes there are specific reasons why a transaction needs to progress quickly. These may include financing deadlines, administrative requirements, retirement plans or personal circumstances.

Speed can also help prevent what is often referred to as “deal fatigue”. As negotiations drag on, enthusiasm can fade and parties may begin to revisit issues that were previously agreed.

A well-paced transaction helps maintain momentum, control costs and preserve confidentiality. It can also allow the buyer to begin integrating the business sooner, enabling them to realise the expected benefits of the deal more quickly.

How to keep a transaction on track

Both buyers and sellers play an important role in ensuring a deal progresses smoothly. Practical steps include:

- **Be organised and prepare early.** Sellers should prepare documentation and data rooms in advance so information can be shared quickly. Buyers should undertake preliminary due diligence early in the process.
- **Respond promptly to requests for information.** Delays in providing documents or answering queries can quickly slow the transaction.
- **Ensure financing is in place.** Buyers should have funding arrangements agreed in principle to avoid last-minute delays or shortfalls.
- **Use technology and delegate where necessary.** Electronic data rooms, digital signing and clear decision-making authority can all help maintain momentum.

The role of your legal advisers

Working proactively with your solicitor can make a significant difference to the pace of a transaction. Your solicitor should be focused on progressing the deal, coordinating with the other advisers involved and ensuring issues are addressed quickly.

Equally important is clear communication between the parties and their advisers. A responsive and collaborative approach can help overcome challenges and keep the transaction moving forward.

Planning ahead

If you are considering buying or selling a business, early preparation and professional advice can help ensure the process runs efficiently and successfully.

Taking the right steps at the outset can help maintain momentum, protect value and ultimately get the deal over the line.

If you would like advice on preparing for or completing a business transaction, the corporate team at Gullands can guide you through each stage of the process.

Sarah Astley can be contacted at s.astley@gullands.com

Quick reference section

Statutory minimum notice periods (at present):

An employer must give at least:

- One week’s notice to an employee who has been employed for one month or more, but less than two years.
- One week’s notice for each **complete** year of service for those employed for more than two years.
- Once an employee has more than 12 years’ service, the notice period does not extend beyond 12 weeks.

National Minimum Wage	From April 26
Apprentices	£8.00
16-17	£8.00
18-20	£10.85
National living wage 21+	£12.71

Statutory Sick Pay

Per week £194.32 (From April 2026)

Statutory Shared Parental/Maternity/Paternity/Adoption Pay (basic rate)

£194.32 (From April 2025)

Statutory Holiday

5.6 weeks for a full time employee. This can include bank and public holidays.

Redundancy Calculation

- 0.5 week’s pay for each full year of service when age is less than 22.
- 1 week’s pay for each full year of service where age during year is 22 or above, but less than 41.
- 1.5 week’s pay for each full year of service where age during year is 41 and over.

Calculation is capped at 20 years. Maximum week’s pay is capped under the Statutory Scheme for dismissals after 6th April 2026 at £751.



CONTACT

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