



COVINGTON

New UK Employment Rights Bill

(1) The Most Radical Employment Law Changes in a Generation

The Employment Rights Bill (“**ERB**”), first introduced in October 2024 as part of the new Labour government’s “*Make Work Pay*” initiative (see our previous article on this [here](#)), is edging closer to becoming law. Once passed, the ERB will implement radical changes affecting all UK employers for many years to come.

Initially expected to pass in summer 2025, the ERB has undergone numerous amendments, which have now pushed it back to at least the end of 2025 (potentially passing any day now). Even its headline proposals are still undergoing change, with ministers making a significant announcement last week that, instead of eliminating the two year qualifying period for unfair dismissal entirely, the period will instead be shortened to six months. This client alert is the first in a series that we will release over coming years, to help our clients navigate the lengthy implementation period needed to introduce all of the sweeping new rights under the ERB.

When Will the New Rights Apply?

Once enacted, the ERB will become effective in phases, starting in late 2025 through to at least 2027. The Government’s “[Roadmap for Implementation](#)” outlines this provisional timeline.

Some limited measures, especially those concerning trade unions, will come into effect shortly after the ERB passes (potentially late 2025). The next major milestone will be in April 2026. In this alert, we focus on four notable changes set to take effect in April 2026: “day 1” paternity leave and unpaid parental leave; enhanced whistleblowing protections; the maximum collective redundancy protective award doubling; and the establishment of the Fair Work Agency.

Key Changes on the Horizon (April 2026)

“Day 1” Paternity Leave and Unpaid Parental Leave

The ERB will make paternity leave and unpaid parental leave “day 1” rights by removing their minimum service requirements. It will also allow employees to take paternity leave and pay even after they have already taken shared parental leave and pay, which is not currently the case. Although the practical effects of this may be limited since statutory paternity leave is still only two weeks long and parental leave remains unpaid, employers will still need to review and update their family leave policies in response to these changes.

Enhanced Whistleblowing Protections

Under the ERB, complaints of sexual harassment will now be recognised explicitly as a form of whistleblowing (provided that they meet the public interest test and other legislative criteria) by being added to the list of “qualifying disclosures”. While the change may have limited practical impact since many such complaints will already be protected under existing health and safety grounds, the Government is clearly emphasising the importance of treating these complaints seriously and trying to encourage their reporting. Employers will need to review their whistleblowing policies and reporting channels in light of this change.



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Maximum Collective Redundancy Protective Award Doubling

Employers contemplating large-scale redundancies (note that the threshold for this is also set to change under the ERB) should be aware that the maximum protective award for failing to meet collective consultation requirements will double, to 180 days' pay per employee. This enhanced penalty may reduce the incentive for employers to pay employees in lieu of proper collective consultation and significantly increases the financial risks of non-compliance.

Establishment of Fair Work Agency

The Fair Work Agency, a new public authority with wide powers to enforce labour market regulations and bring employment tribunal proceedings on behalf of workers, will also be established in April 2026.

Consultation, Consultation, Consultation

It is important to note that much of the ERB serves as framework legislation, which will be shaped by statutory codes of practice and secondary legislation requiring further consultation. Accordingly, the Government has set out an extensive schedule of consultations, which started in Autumn 2025 and will focus on: a shorter qualifying period for unfair dismissal rights; trade union measures; fire and rehire; bereavement leave; rights for pregnant workers; and ending the exploitative use of zero hour contracts. We will be monitoring these consultations closely, as these aspects of the new laws take shape.

What Happens Next?

As it approaches the final stages of the UK parliamentary process, it is increasingly important – particularly for HR and compliance teams – to familiarise themselves with the contents of the ERB. This may involve scheduling training sessions, preparing for policy reviews and developing internal action plans. The phased implementation of the ERB should make this process more manageable, but the piecemeal nature of ongoing consultations and secondary legislation will require employers to remain alert to ongoing changes over the next two years.

If you have questions about the ERB, or any other employment matters, we are happy to assist with any queries.

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