

UK Employment Rights Act 2025

Be Prepared for 2027 – A Landmark Year in Employment Law

January 2027

Unfair Dismissal

Employees will be able to bring unfair dismissal claims after six months' service instead of two years. Compensatory awards for unfair dismissal will also no longer be capped. Dismissing high earners may therefore carry a larger risk that is harder to quantify.

Trade Unions

Employers must inform workers of their right to join a trade union, and remind them at regular intervals.

March 2027

Fire and Rehire

New "fire and rehire" protections will come into force. Dismissing an employee for refusing a change to core terms such as pay, hours, leave or pensions, or in order to replace them with an agency worker or contractor, will be automatically unfair.

April 2027

Action Plans

Gender equality and menopause action plans will become mandatory for private and voluntary sector employers, in line with their current pay gap reporting cycle.

Bereavement Leave

A new right to bereavement leave, including for pregnancy loss, will come into force.

Collective Redundancy Consultation

An organisation-wide threshold will be introduced for collective redundancy consultation. Employers will need to count proposed redundancies across the whole business, not only at each establishment. The maximum protective award for failing to consult was already doubled on 6 April 2026, so getting collective consultation wrong will become considerably more expensive.

Authors



Chris Bracebridge
Employment
Partner, London
+44 20 7067 2063
CBracebridge@cov.com



Antonio Michaelides
Employment
Partner, London
+44 20 7067 2027
AMichaelides@cov.com



Richard Rowlands
Employment
Associate, London
+44 20 7067 2210
RRowlands@cov.com



Salena Mann
Employment
Associate, London
+44 20 7067 2156
SMann@cov.com



August 2027

Electronic Balloting

Electronic balloting will become available for statutory trade union recognition and derecognition ballots. This is expected to make recognition ballots more accessible to workers, boosting participation rates and giving unions more legitimacy by demonstrating workforce support.

September 2027

Non-Disclosure Agreements (NDAs)

Regulations to prevent the misuse of NDAs in cases of workplace harassment or discrimination will come into force. Employers should review their template settlement agreements and the confidentiality clauses in their employment contracts before then.

October 2027

Pregnancy/New Mother Protections

Enhanced protection against dismissal for pregnant women and new mothers will come into force. Employers will need to review policies to add a specific “protected period”, track pregnancy notifications, and take particular care with probation as dismissals during this period will still fall under the regime.

Flexible Working

Flexible working changes will take effect: employers will only be able to refuse a flexible working request where doing so is “reasonable”.

If you have questions about the Employment Rights Act 2025 or any other employment matters, we are happy to assist.

