

## Employment Law Newsletter

### EMPLOYMENT LAW SHAKE-UP: LIVE, PENDING AND STILL IN THE PIPELINE

Wages are up. Sick pay now starts from day one. New parental rights are in.

Unfair dismissal law hasn't changed — yet. But with anticipated reforms due in January 2027, employers hiring from July onwards should start thinking ahead, particularly about probationary periods and whether longer extensions still make sense.

Whether you're an employer or an employee, these changes matter — and there's more on the way.

This newsletter is your plain-English guide to what's changed, what's coming, and what you need to do next.

**1 APRIL 2026**

#### **PAY RISES FOR ALL AGES**

The national and living minimum wage rates increased on 1 April. Here's where they now sit:

- } **21 and over:** £12.71 per hour. This is an increase from £12.21
- } **18 to 20:** £11.85 per hour. This is an increase from £10.00
- } **16 to 17:** £8.00 per hour. This is an increase from £7.55
- } **Apprentices:** £8.00 per hour. This is an increase from £7.55

These are legal minimums. Pay below them and you're not just exposed to tribunal claims — you'll also fall within the reach of the Fair Work Agency (more on this below).

#### **WHAT DO YOU NEED TO DO:**

- } Make sure your payroll systems are up-to-date.
- } Check the contracts of all your workers to ensure they do not fall below the minimum wage.

#### **⚠ Watch out for this**

The hourly rate on a payslip isn't the whole story. Deductions for things like uniforms, tools or travel — even where the worker has agreed to them — can bring effective pay below the legal minimum. The same applies to some salary sacrifice schemes. Check calculations across the whole pay reference period, not just the headline rate.



**6 APRIL 2026**

## **SICK PAY FROM DAY ONE**

Until recently, the first three days of any sickness absence were unpaid – employees had to wait until day four before Statutory Sick Pay (SSP) kicked in. That waiting period is now gone.

From 6 April 2026, SSP starts from the first day of absence. The lower earnings limit has also been removed, bringing more lower-paid workers into entitlement for the first time.

SSP has increased, with the weekly rate now £123.25 (up from £118.75), or 80% of normal weekly pay if lower.



### **WHAT DO YOU NEED TO DO:**

- } Update your contracts and sickness absence policies to remove any reference to the three-day waiting period.
- } Brief your HR team and line managers so they're applying the rules correctly from day one.
- } Check your payroll is set up to calculate SSP from the first day of absence.

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## **PATERNITY AND PARENTAL LEAVE FROM DAY ONE**

Two significant changes have come into effect, both removing length of service requirements that previously excluded newer employees

- } **Paternity leave:** now a day one right. Previously, employees needed 26 weeks' service to qualify.
- } **Unpaid parental leave:** now a day one right. Previously, the threshold was 52 weeks' service.

Employees can also no longer be denied paternity leave simply because they have already taken shared parental leave.

A new right has also been introduced for bereaved partners. Where a mother or primary adopter dies, the surviving partner is entitled to up to 52 weeks' unpaid leave.

### **What do you need to do:**

- } Update family leave policies and contracts
- } Brief your HR team and line managers.

### **! Watch out for this**

The right to take paternity leave is now a day one right – you cannot refuse it on the basis of length of service. But the qualifying rules for Statutory Paternity Pay (SPP) are unchanged. Employees still need 26 weeks' continuous service and must meet the lower earnings limit to be entitled to pay during their leave.

These changes apply to babies born on or after 6 April 2026, and to adoption placements starting on or after that date.



**6 APRIL 2026**

## **STATUTORY FAMILY PAY RATES WILL GO UP**

The weekly rate for statutory family payments increased to £194.32 on 6 April, up from £187.18. This covers:

- } Statutory Maternity Pay (weeks 7 onwards)
- } Statutory Paternity Pay
- } Statutory Adoption Pay
- } Statutory Shared Parental Pay
- } Parental Bereavement Pay
- } Neonatal Care Leave Pay

### **What do you need to do:**

- } Ensure your payroll system is up to date.

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## **MENOPAUSE AND GENDER PAY GAP**

A new voluntary framework has been introduced for larger employers. From April 2026, employers with 250 or more employees are encouraged to publish an action plan alongside their gender pay gap report, covering two things:

- } Gender pay gap: the steps being taken to close it.
- } Menopause support: how employees are being supported through menopause.

Action plans must include at least one action on each of those two points. They are published on the existing gender pay gap reporting portal, so they will be publicly visible alongside pay gap data.

This is voluntary for now. The government intends to make it mandatory from spring 2027, though this is subject to secondary legislation still to come.

### **What do you need to do:**

- } This obligation doesn't currently apply to you – but the government is encouraging smaller employers to engage with the framework voluntarily. If you're looking to attract and retain talent, getting ahead of the curve on both issues is worth considering regardless of your headcount.

# MENOPAUSE



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## **HOLIDAY PAY RECORD KEEPING**

Employers must now keep records of annual leave and holiday pay.

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## **MEET THE FAIR WORK AGENCY**

The Fair Work Agency (FWA) launched on 7 April 2026, bringing together enforcement powers that were previously spread across multiple government bodies into a single agency.

The FWA has real teeth. It can enter your premises, request documents, and bring tribunal claims directly on behalf of workers. Its early focus is expected to be on underpayment of holiday pay and national minimum wage breaches – two areas where non-compliance is widespread.

If there are gaps in your compliance, now is the time to close them.

### **What do you need to do:**

- } Review how you calculate holiday pay – this is the most common area of non-compliance and the FWA's stated early priority.
- } Check that all categories of worker are being paid correctly, including casual and zero-hours workers.
- } Make sure your contracts and policies reflect the current law.
- } Ensure your records are accurate and up to date.



## OTHER APRIL 2026 CHANGES

### } **Whistleblowing – sexual harassment disclosures**

From 6 April 2026, whistleblowing protections extend to disclosures about sexual harassment. Update your whistleblowing policy if it doesn't already cover this explicitly.

### } **Collective redundancy – increased compensation**

Where collective redundancy consultation is not carried out correctly, the compensation payable to each affected employee has doubled – now up to 180 days' pay per person. If you are considering redundancies involving significant numbers, take advice early, before the process begins. Redundancy must be genuine and properly documented; it is not a formality.

### } **Trade union law – repeal of the Trade Union Act 2016**

The majority of the Trade Union Act 2016 is being repealed. Changes include revised industrial action notice requirements and the option of electronic balloting where agreed. A new ACAS Code of Practice on trade union recognition is expected in October 2026 – one to watch.

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## WHAT IS ON THE HORIZON?

More changes are coming. Here are the three you should be thinking about now.

} **October 2026 – Enhanced sexual harassment duties** From October 2026, employers will be under a duty to take "all reasonable steps" to prevent sexual harassment, and regulators will be empowered to determine what steps are considered reasonable. Employers will also be placed under a new duty not to permit employees to be harassed by third parties. This is a step up from the current position and worth flagging – particularly for client-facing businesses.

} **October 2026 – Further trade union changes** From October 2026, employers will have a legal duty to inform workers of their right to join a trade union, unions will have a stronger right of access to workplaces, and there will be new rights for trade union representatives and new protections against detriments for taking industrial action.

} **October 2026 – Employment tribunal time limits** - The window for bringing almost all tribunal claims doubles from three to six months.

} **January 2027 - Unfair dismissal qualifying period down to six months** The qualifying period for an unfair dismissal claim is set to drop from two years to six months. Employers will need to think carefully about how they manage performance, conduct and probationary periods – the window in which employees can bring claims will be dramatically shorter.

} **January 2027 – Fire and rehire** Dismissing someone and rehiring them on worse terms and conditions will become automatically unfair dismissal in most cases from 1 January 2027. This sits alongside the unfair dismissal qualifying period change you've already included and is worth adding to the horizon section.

} **January 2027 - Guaranteed hours for zero-hours workers** Zero-hours and casual workers will gain the right to request contracts that accurately reflect their actual working patterns. If your business model relies heavily on flexible or casual labour, this is worth preparing for now.

} **Uncapping of unfair dismissal compensatory award** The maximum compensatory award for unfair dismissal will become uncapped from 1 January 2027. Currently capped at £125,543 – this is a significant change that employers need to be aware of alongside the qualifying period reduction

} **Ethnicity and disability pay gap reporting** Mandatory reporting on ethnicity and disability pay gaps is coming for larger employers, though the date is yet to be confirmed. If you're already close to or above the 250-employee threshold, it's worth starting to think about your data now.

## ANY QUESTIONS?

We're here for you. we understand that every business is different. If you'd like to talk through what these changes mean for yours, give us a call or send us an email – there's no obligation, just a conversation.

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