



ActifHR

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January 2025 Update

Welcome to this month's update - where we discuss the latest guidance and legislation.

In this Edition we report on:

- The new Employment Rights Bill – day one rights for all employees
- Changes to Zero Hours Contracts
- Changes to Statutory Sick Pay

The new Employment Rights Bill: Day one rights for employees

Small businesses are likely to be hit the hardest by Labour's Employment Rights Bill.

The government's overhaul of workers' rights in their new Employment Rights Bill 2024 proposing 28 radical employment law reforms, received its second reading in Parliament on the 21st of October 2024.

Understandably, it's a lot for businesses without an HR team. So, what changes can small business owners expect and what steps can be taken now?

Removal of the 2-year qualifying period for unfair dismissal

Labour has proposed to give employees' the right to unfair dismissal from their first day of employment. This removes the current qualifying period of 2 years.

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Although still under consultation, the government is proposing setting a statutory probation period of around 9 months. This at least will help employers properly assess an employee's suitability for a role, while giving workers' strengthened rights from their first day of employment.

What should employers do practically?

- Look at your recruitment and hiring processes as these will need to be tightened. As it will be a lot harder to dismiss employees, businesses will need to make sure they are bringing in the right candidates with the right skillsets.
- New employees should also be given more support in their induction periods with clear objectives and regular reviews.
- Make sure that employment contracts and handbooks are up to date, as well as appraisal and performance management processes.

Employers: update employee documents and keep on top of regular reviews.

Contact us: we can assist with employment contracts and handbooks.

Other proposals: Zero Hours contracts

Within the Bill there are also proposals to ban the use of zero-hours contracts. These contracts will likely be replaced with a new right for employees to have guaranteed hours, if they work regular hours over a defined period.

In addition, the government is proposing either to restrict or ban 'fire & rehire' practices. This refers to the process of making contractual changes to an employee's terms and conditions by terminating an employee's contract and then re-hiring them on new terms.

What should employers consider?

If your business uses zero-hour contracts, carefully identify how they monitor hours worked, how they can manage the reference period and also assess how many people are on this kind of contract.

Employers: an assessment of workers and contractors is useful to monitor contracts used.

Contact us: We can assist with a review of contracts

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Also in the Bill: Statutory Sick Pay changes

In addition, the Bill proposes scrapping the lower earnings limit band for SSP along with the 3-day waiting period

Labour is proposing to make SSP a right from the first day of illness and employment. Removing the lower earnings limit band has also been put in to ensure all employees are entitled to SSP.

There will be penalties for employers for breaching these rules. It is therefore important employers understand their legal obligations for employee sick leave and sickness pay.

What should employers consider?

Make sure you update managers and employees of these changes and any policies.

Employers: update absence, attendance, return to work policies and employment contracts.

Contact us: we can assist with updates to policies and contracts.



Caroline has a wealth of experience supporting business clients with practical hands on HR and Employment Law advice. Caroline's pragmatic approach helps businesses of all sizes deal with complex HR situations. She qualified as a Solicitor in 1999 and now acts as a specialist Human Resource / employment Law Consultant to business.

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