



ActifHR

Where people matter..

April 2025 Update

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

In this Edition we report on:

- Right to Work checks: extending to the gig economy
- Fire and rehire changes – affect variation of contracts
- National Minimum Wage increase

Right to Work checks – extending to the gig economy

On 30 March 2025, the Home Office announced plans to extend the rules on Right to Work checks to those working in the gig economy. The gig economy includes people who are not in traditional employment arrangements, such as self-employed contractors and those on zero-hour contracts.

Under the new regulations, companies in industries that rely on gig and self-employed workers, often food delivery, construction, beauty salons and courier services will be required to check the immigration status of all workers.

Previously, employers were not legally obligated to carry out these checks on these sorts of workers. Firms were only responsible for conducting checks on self-employed workers if they had sponsored their visa allowing them to work in the UK.

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With this proposed change, employers will need to confirm that all workers, including those who are self-employed or on zero-hours contracts are legally eligible to work in the UK.

This will level the playing field between traditional and flexible employment models, ensuring fairness and consistency across the labour market.

Employers: make sure you include Right to Work checks for all forms of workers including self-employed contractors

Contact us: we can support your business.

Fire and rehire changes – affect variation of contract

Clause 26 of the Employment Rights Bill introduces a new section, s104I to the Employment Rights Act 1996. It makes it automatically unfair to dismiss an employee for refusing a contractual change. It is no longer up to the tribunal - it is just Automatically unfair.

This one change, which could come into force as early as this October transforms the employment law landscape. The traditional last resort that employers have long relied on to push through necessary changes is about to vanish.

If an employer wants to withdraw a contractual commission scheme and the employee says no, they can't be dismissed. If a major client changes its service hours and the employer needs to adjust staff rotas, it can't force the change, using dismissal and re-engagement.

Even if new regulations demand a contractual update and the employee refuses - dismissal is not an option. A change can only happen if the business is genuinely on the brink of collapse and can prove it. That's the only exception under s104I(4). This defence demands documented financial distress and clear evidence that there was no other option.

And even if an employer comes within that narrow target, the dismissal still has to survive a reasonableness test under unfair dismissal rules. There needs to be proof of consultation, efforts to gain agreement and consideration of alternative options.

There are two possible ways employers might attempt to navigate this. One is to rely on variation clauses in contracts. The other is outsourcing work to agencies. Both come with legal risks and are unlikely to offer a reliable solution.

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Employers: now need to ensure there is better communication, smarter consultation and genuine negotiation with staff with give-and-take.

Contact us: if you need to make a variation of terms and conditions for advice.

National Minimum Wage increase

Since April 2025, the National Minimum and Living Wage rates have seen significant increases across various age groups.

This includes an 18% rise for apprentices and under-18s, with adults also benefiting from higher pay rates.

Current NMW Rates

Apprentices - £6.40hr

Under 18's - £6.40hr

18-20 yr - £8.60

21 and over - £11.44hr

NMW Rates from April 2025

Apprentices - £7.55hr (18% increase)

Under 18's - £7.55hr (18% increase)

18-20 yr - £10.00hr (16.3% increase)

21 and over - £12.21 (6.7% increase)

While the hikes are welcomed by employees and unions, many employers are concerned about the impact of these increases on their recruitment and costs.

As a result, some employers are considering reducing hours, adjusting contracts or downsizing to manage the increased financial strain.

Employers: ensure your payroll and managers communicate this to relevant employees.

Contact us: for further advice.

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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.

Caroline Robertson, Director



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