

# EMPLOYMENT RIGHTS ACT

UPDATES & INSIGHTS ON THE EMPLOYMENT  
RIGHTS ACT 2025 FOR PARISHES AND PCC'S

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# Summary



## Understanding the Employment Rights Act 2025

The Employment Rights Act 2025 (“ERA”) became law on 18th December 2025. It is the biggest change to UK employment law in a generation and introduces 28 major reforms affecting how employers and employees relate to each other. Key areas include:

- New rules on unfair dismissal
- Guaranteed hours for casual workers
- Stronger protections against harassment
- Greater rights for employees involved with trade unions

The first set of changes took effect in February 2026, especially affecting workplaces with unionised staff, including new rules around industrial action. More changes will follow in April and October, with further consultations expected into 2027.

This guide is here to help parishes and PCCs understand these changes, offering practical guidance and clear answers to common questions.

# Key Dates

## February 2026

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- Industrial action ballots: removal of ballot thresholds and support requirements under Trade Union Act 2016
- Notice periods for industrial action reduced from 14 to 10 days
- Validity of strike ballots extended from six to 12 months
- Enhanced protections against dismissal for employees taking part in strike action
- Changes to facility time, union subscriptions and political fund reporting

## April 2026

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- Fair Work Agency established
- Day-one paternity leave and unpaid parental leave
- Collective redundancy maximum protective award doubled from 90 to 180 days' pay
- Sexual harassment whistleblowing protections implemented
- Statutory Sick Pay - removal of Lower Earnings Limit and waiting period
- Gender pay gap and menopause action plans 250+ employees (voluntary only until 2027)
- Simplification of trade union recognition process
- Requirement to retain holiday pay records (6 years)

## October 2026

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- Requiring employers to take "all reasonable steps" to prevent sexual harassment of employees
- Introducing employer liability for third party harassment
- Strengthening trade unions' right of access in the workplace
- Enhanced protections for trade union representatives
- Enhanced protections for workers against detriments for taking industrial action
- Duty to inform workers of their right to join a trade union; strengthening of trade unions' right of access
- Employment tribunal time limits increase from three to six months
- Measures to ensure the fairer allocation of tips

# Key 2027 Changes

## January 2027

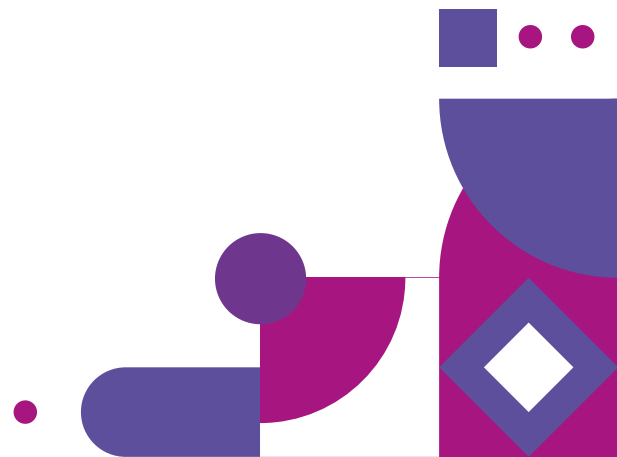
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- Unfair dismissal qualifying period reduced to six months, and compensation cap removed

## Later 2027

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- Fire and rehire changes (dismissal for failure to agree contractual variation)
- Zero hours contracts - Guaranteed Hours Offers
- Collective redundancy - new collective consultation threshold
- Power to enable regulations to specify steps that are to be regarded as "reasonable", to determine whether an employer has taken all reasonable steps to prevent sexual harassment
- Enhanced protections from dismissal for pregnant women and new mothers returning from maternity leave
- Gender pay gap and menopause action plans become mandatory (\*Note: implementation of the gender pay gap outsourcing measure will depend on related measures in the draft Equality (Race and Disability) Bill)
- A statutory right to bereavement leave, including for those who suffer pregnancy loss before 24 weeks
- Flexible working changes



# What you need to consider

## February 2026

- If you have unionised staff, update any policies about union access or ballots.
  - Check your staff handbook reflects the updated process
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## April 2026 – **PRIORITY UPDATES / STAFF NOTIFICATION**

### Day-One Family Leave Rights

- Paternity leave from day one of employment (no qualifying service needed).
- Ordinary parental leave from day one of employment (no qualifying service needed).

#### Required actions:

- Update family-leave policies and staff handbooks.
  - Ensure managers know employees can ask for these leaves from the first day.
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### Statutory Sick Pay (SSP) Reforms

- SSP must be paid from day one of sickness (not from the 4th day).
- The lower earnings threshold for SSP is removed (so more lower-paid staff qualify).

#### Required action:

- Make sure you revise how SSP is calculated and paid.
  - Communicate changes to staff and update sickness absence policies.
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### Collective Redundancy Protective Award Increased

- The maximum penalty for failing to consult in collective redundancy situations doubles (90 → 180 days' pay).

#### Required action:

- Ensure redundancy consultation processes are compliant.
- Reach out to the HR Advisory Board if considering potential redundancies.

## **Whistleblowing and Sexual Harassment**

- Whistleblowing protections include sexual harassment disclosures.

### **Required action:**

- Update whistleblowing policies and reporting routes.
  - Train line managers on how to handle complaints respectfully and safely.
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## **Trade Union Recognition Simplification**

- The process for statutory trade union recognition is simplified.

### **Required action:**

- Check procedures if you have union engagement.
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## **Holiday Pay & Annual Leave Record-Keeping (Six-Year Duty)**

- Employers must keep records showing holiday entitlement, leave taken and holiday pay calculations for at least six years.
- These records may be requested by the new Fair Work Agency, which will enforce compliance.

### **Required action:**

- Set up or update systems to record and retain
    - holiday entitlement details,
    - dates annual leave was taken,
    - holiday pay calculations (including overtime if included).
  - Decide how records are stored (electronic or paper), how they're backed up, and who is responsible for them.
  - Ensure payroll providers and staff managing individuals know this is a statutory requirement, not optional.
  - This is a major change in record keeping and non-compliance can lead to enforcement action by the Fair Work Agency, including significant fines.
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## **October 2026 – IMPORTANT UPDATES TO READY**

### **Preventing Sexual Harassment**

- Employers must take “all reasonable steps” to prevent sexual harassment of employees. This is a higher standard than the 2024 duty and requires proactive measures.

### **Required actions:**

- Review and strengthen anti-harassment policies and reporting routes.
- Provide regular training for managers, clergy and staff.
- Carry out and document harassment risk assessments.
- Ensure prompt, safe handling of concerns.

## **Liability for Third-Party Harassment**

Employers will be liable for harassment carried out by third parties (e.g., volunteers, contractors, visitors) without needing prior incidents.

### **Required actions:**

- Update policies to address third-party behaviour.
  - Ensure staff know how to report concerns involving non-employees.
  - Review visitor, volunteer and contractor conduct expectations.
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## **Duty to Inform Workers of Their Right to Join a Trade Union**

- Employers must tell workers about their right to join a union, and unions gain greater access rights.

### **Required actions:**

- Update induction materials, contracts and handbooks.
  - Ensure new starters receive information on trade union rights.
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## **Employment Tribunal Time Limits Extended**

- Time limits for many claims increase from three months to six.

### **Required actions:**

- Amend policies referring to tribunal deadlines.
  - Recognise that issues may surface long after the event, ensure documentation is retained and decisions properly recorded.
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## **Strengthened Trade Union Access Rights**

- Trade unions gain stronger rights to access the workplace to speak with workers.

### **Required actions:**

- Establish or revise procedures for managing lawful union access.
  - Inform managers of what access must be allowed.
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## **Enhanced Protections for Trade Union Representatives**

- Union reps gain stronger protection against dismissal or disadvantage.

### **Required actions:**

- Ensure policies and managers' training reflect the heightened protections.
- Take advice before taking formal action involving a union representative.

# Key questions



## **Can an employee really take paternity or ordinary parental leave from their very first day with us?**

Yes. From April 2026 under the new ERA changes, both paternity leave and ordinary parental leave become day-one rights, meaning no minimum service is required. A new employee can request these types of leave immediately upon starting. PCCs should update family-leave policies, staff handbooks, and ensure managers understand that these entitlements apply from day one.



## **If paternity and ordinary parental leave are now day-one rights, does that mean we must pay employees from day one too?**

No. While the right to take paternity and ordinary parental leave now applies from the first day of employment, the right to be paid for certain types of family leave has not changed. Statutory pay still requires the usual minimum service and earnings thresholds. However, PCCs should still review the wording in their policies and handbooks to ensure it clearly distinguishes between leave entitlement (day one) and statutory pay entitlement (unchanged).



## **Does the change to day-one SSP mean we need to rewrite our whole sickness policy?**

Not necessarily, but you do need to update how SSP is administered. From April 2026, SSP must be paid from the first day of sickness, and the lower earnings threshold is removed, meaning more lower-paid staff will now qualify. The overall rules of SSP remain in place, but PCCs should revise calculations, update sickness-absence policies, and communicate the changes clearly to staff.



## **Why do we need to keep six years of holiday records and how are we meant to manage all that admin?**

The ERA requires employers to keep detailed records of holiday entitlement, leave taken, and holiday-pay calculations for a minimum of six years.

The good news is that you don't need a large budget to comply. There are many low-cost HR Information Systems (HRIS) that can automatically track annual leave, store records securely, and create the audit trail required, making compliance much easier. If you're unsure which systems may suit your PCC, or how to set up compliant processes, you can contact the HR Advisory Board (HRAB) for support and guidance tailored to your context.



### **How does this impact how we recruit and manage new staff?**

From 2027, employees will gain protection from unfair dismissal after six months' service, rather than the current two-year period.

For churches and PCCs, this means recruitment processes will become even more critical. Ensuring you identify the right people at the outset will help reduce future risk. You may also need to update employment contracts for new starters to reflect any revised probation periods and ensure that new team members are closely supported, monitored and managed during these early months.



### **Do you engage with casual or seasonal workers?**

From 2027, the ERA will introduce new rules affecting zero-hours and low-hours contracts. Employers will have to make a "guaranteed hours offer" to eligible workers, based on the average hours they have actually worked over a set period. This will also apply to agency workers.

Although there will be limited scope to opt out through a collective agreement, the overall effect is a significant reduction in flexibility for employers.

Churches and PCCs using these arrangements should expect to make notable changes to contracts and staffing practices, even though much of the detail is still to be confirmed.



### **Are you doing enough to prevent harassment?**

Since October 2024, employers have been required to take reasonable steps to prevent sexual harassment in the workplace. Risk assessments and proactive training remain a key part of identifying where staff may be vulnerable and what steps can be taken to reduce risk.

From October 2026, the ERA will strengthen this duty: employers must take all reasonable steps to prevent sexual harassment, a higher standard that will require proactive policies, training and clear documented reporting procedures.

# Who to contact

The Portsmouth Diocese HR Advisory Board (HRAB) is here to support PCCs and church leaders with employment-related queries.

The HRAB is made up of representatives from the Diocese alongside volunteer HR professionals who are leaders in their fields, bringing experience from:

- Education
- Charity / Non-profit sector
- Global organisations
- And our specialist HR consultants at KaneHR

This blend of diocesan insight and professional expertise ensures that PCCs can access informed, practical, and context-appropriate guidance.

## How to Access Support

If you would like advice or guidance from the HR Advisory Board, please contact Louise Gifford:

[louise.gifford@portsmouth.anglican.org](mailto:louise.gifford@portsmouth.anglican.org)

Louise will ensure your enquiry is passed to the most appropriate HRAB representative.

## Disclaimer

The HR Advisory Board can assist with light-touch guidance and smaller advisory queries. However, more complex, specialist or in-depth HR support may require a separate paid engagement with the Diocese's HR partners. If this becomes necessary, it will be discussed in advance with yourself and the Diocesan Secretary before any costs are incurred.

