A&O SHEARMAN

SIX-MONTH SNAPSHOT

2025

U.K. Employment Developments

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This calendar is for general guidance only and does not contain definitive advice.

JANUARY

06

 New Employment Tribunal (ET) Procedure Rules 2024 in force.

20

 ETs can uplift protective awards by up to 25% where employers unreasonably fail to follow Dismissal and Re-engagement Code of Practice or another relevant code of practice.

FEBRUARY

- Employment Rights (ER) Bill: union and collective rights.
 - Consider your strategy to avert and manage union recognition requests and new workplace access/other rights from 2026.
 - Most Trade Union Act 2016 restrictions on industrial action balloting/reporting will be lifted in 2025 – if unionised, prepare now.

MARCH

- Review family leave and flexible working policies/templates to be ready for changes under the ER Bill.
- New Practice Direction on the methods of presenting claims and responses to ETs to take effect this month.

17-23

· Neurodiversity Celebration Week.

APRIL

01

 National Living Wage rate for workers aged 21 and over increases to GBP12.21 from GBP11.44.

05

- Publication deadline for gender pay gap for private companies based on the snapshot date of 5 April 2024.
- ER Bill: do you need a gender equality plan for 2026 addressing any pay gap and support on menopause and menstrual issues?

06

- Employer NICs rate to increase to 15% from 13.8% and threshold for when NICs become payable to decrease to GBP5,000 from GBP9,100.
- Statutory rate increases (*new rates and effective dates still subject to confirmation).
- SSP increases to GBP118.75 from GBP116.75.
- Maximum limit on a week's pay for redundancy pay/unfair dismissal basic award to increase from GBP700*.
- Maximum redundancy payment/basic award to increase from GBP21,000*.
- Cap on unfair dismissal compensation to increase from GBP115,115*.
- New day one right to up to 12 weeks' neonatal care leave (with statutory pay, subject to eligibility conditions).

07

 Family pay rates increase to GBP187.18 from GBP184.03.

MAY

 ER Bill could be approved around now – most changes (except for the lifting of Trade Union Act 2016 restrictions) will take effect no earlier than 2026.

12-18

 Mental Health Awareness Week. This year's theme is "Community".

JUNE

- ER Bill: if you are proposing collective redundancies in 2026, how should you adapt your approach/templates given stricter obligations/penalties for consultation breaches?
- · Pride Month

JULY

- Expect final PRA/FCA rules to simplify the UK banking remuneration regime – review/ amend arrangements for financial years starting from 2026.
- Expect draft Equality (Race and Disability) Bill, providing for race/disability pay gap reporting.
- Review the steps taken to prevent sexual harassment to assess effectiveness and whether modifications are required.

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