2027 KEY UK EMPLOYMENT LAW CHANGES

As an employer, keeping pace with employment law developments is essential for ensuring you remain compliant with the law and to effectively manage your workforce. This factsheet summarises the key legislative changes taking effect in 2027, their anticipated start dates, and their practical implications for your business.

KEY CHANGES

JAN 2027
Unfair dismissal, trade unions, tipping

MAR 2027
Fire and rehire

APR 2027
Minimum wage, bereavement leave, redundancy

SEPT 2027
NDAs

OCT 2027
Flexible working, pregnancy protection

DEC 2027
Umbrella companies

DATE TBC
Zero and low hours contracts

EFFECTIVE JANUARY 2027

UNFAIR DISMISSAL

- Employees will be able to claim unfair dismissal after 6 months of continuous employment, down from 2 years. The cap on compensation will also be removed, meaning awards could be unlimited.
- Employees hired from 1 July 2026 could qualify for unfair dismissal protection from 1 January 2027 if they remain with the same employer.
- Dismissing employees will carry greater legal risks. Employers should address performance or conduct concerns early, follow a fair process and keep clear records of meetings and decisions. Use probationary periods to manage the relationship early on.

TRADE UNION CHANGES

Employers will be legally required to provide workers with a written statement informing them of their rights to join a trade union.

TIPPING

- Employers must consult workers when creating or updating their written tipping policy.
- Review the policy at least every 3 years to check that it remains fair, clear and reflects current practices.
- Share an anonymised summary of workers' feedback with affected employees.

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EFFECTIVE MARCH 2027

DISMISSAL AND REHIRE ('FIRE AND REHIRE')

- Delayed to start in March 2027, from January 2027.
- Dismissing and rehiring employees to change certain contract terms will generally be automatically unfair. These include reductions or changes to:
  - pay (or how it is calculated);
  - pensions;
  - working hours or certain shift patterns; and
  - leave entitlements.
- Employers may be exempt if they face serious financial difficulties that threaten the business' survival.
- The rules will apply from the first day of employment.
- A *Statutory Code of Practice on Dismissal and Re-engagement* will work in tandem with the new fire and rehire rules.

EFFECTIVE APRIL 2027

MINIMUM WAGE INCREASE

The National Minimum Wage and National Living Wage (for those 21 and over) increases as follows:

	21+	18 - 20	Under 18	Apprentice
April 2026	£12.71	£10.85	£8.00	£8.00
April 2027	**£13.21**	**£11.27**	**£8.31**	**£8.31**

EFFECTIVE APRIL 2027

OTHER APRIL 2027 CHANGES

- **Action plans:** Employers with 250 or more employees must publish plans on closing their gender pay gap and supporting employees going through menopause.
- **Bereavement leave:** Employees who lose a spouse, partner, parent, adult child or sibling will be entitled to up to 2 weeks' unpaid leave. This also applies to parents who experience a miscarriage before 24 weeks of pregnancy. This is a day one right.
- **Collective redundancy:** Employers must currently consult collectively when proposing 20 or more redundancies at one workplace within 90 days. A new organisation-wide threshold will also apply, meaning employers with multiple sites may need to consult even if fewer than 20 employees are affected at each location. The new threshold has not yet been confirmed.
- **Enhanced protection for trade union members:** Stronger protections to prevent employers from discriminating against or blacklisting employees because of their trade union membership.

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EFFECTIVE SEPTEMBER 2027

CONFIDENTIALITY AGREEMENTS (NDAS)

Employers will no longer be able to use NDAs to stop workers from speaking about workplace harassment or discrimination.

EFFECTIVE OCTOBER 2027

FLEXIBLE WORKING

Employees will have stronger rights to request flexible working hours, schedules or locations. A new 'reasonableness test' means employers can only refuse requests on reasonable business grounds and must consult the employee and explain their decision in writing.

PREGNANCY PROTECTION

Employees will have stronger protection from dismissal from the time they notify their employer of their pregnancy until 6 months after returning to work. Dismissal will only be allowed in limited circumstances, and employers must show there is a legitimate business reason and that dismissal is necessary and proportionate.

EFFECTIVE DECEMBER 2027

UMBRELLA COMPANIES

The definition of agencies will be expanded to include 'umbrella companies', allowing enforcement by the relevant bodies, including the Fair Work Agency.

OTHER 2027 CHANGES

ZERO AND LOW HOURS CONTRACTS

Workers will be able to request a contract based on the hours they regularly work over 12 weeks. Employers must give reasonable notice of shifts and pay compensation for last-minute cancellations or changes. These rights are also expected to cover agency workers. The start date is to be confirmed.

RECOMMENDED ACTIONS

- Review your employment contracts, policies and probation processes before January 2027.
- Update payroll for the April 2027 minimum wage rates.
- Seek legal advice before changing contract terms, dismissing staff or proposing redundancies.

CONTACT US

Need assistance with your employment legal needs? Contact us today.

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