

## 2025 Employment Law Horizon Scan

*Suggested title: What does 2025 have in store for employment law and what do employers need to be ready for?*

It has been a busy six months in UK employment law with the introduction of the Employment Rights Bill to parliament in October 2024 and the announcement of a number of reforms that will work their way down the legislative pipeline in 2025.

Our horizon scanner is here to help you navigate what to expect in the year ahead. A large volume of draft legislation is scheduled for second readings in the year. Although these draft bills do not confirm the exact requirements of the law coming into force, they do provide a useful indication as to what to expect by way of future direction and legislation.

Consultation exercises will also feature heavily in 2025. We await the outcomes of the first public consultations that concluded in early December 2024 relating to statutory sick pay, industrial relations, zero-hour contracts, collective redundancy and “fire and re-hire”. We also anticipate that public consultation exercises will open on other parts of the government’s proposed employment law reform in the first half of 2025. This should notably include the right to claim unfair dismissal as of day one of employment, and the proposal to create a single status of “worker” to replace the current two-tier “employee” and “worker” framework.

### January

Implementation of the Employment Tribunal Procedure Rules 2024: The new rules governing Tribunal procedure replaced the previous rules and came into force on 6 January 2025. These include the delegation of judicial functions to legal officers in an effort to increase efficiency so that cases can progress more quickly. There are also changes to the rule numbers, leaving pitfalls for the unwary when engaged in Tribunal correspondence.

Dismissal and re-engagement (fire and re-hire): From 20 January 2025, an employment tribunal will have the power to uplift an award it makes by up to 25% for an employer’s unreasonable failure to follow the [Code of Practice on Dismissal and Re-engagement](#). Employers will need to remain mindful of compliance with the Code and the financial consequences, particularly if 20 or more employees may be impacted, meaning the existing collective redundancy obligations also apply.

### February

New Employment Appeal Tribunal (EAT) Rules: These rules come into force on 1 February. These largely relate to the requirement for all represented parties to file documents electronically to the EAT via the relevant portal for civil court claims known as CE-file.

### March

Health and safety: We anticipate draft amendments to current health and safety legislation will have a second reading as a private member's bill in March. The amendments include placing a requirement on employers to take proactive measures to prevent violence and harassment in the workplace, with particular provisions to protect women and girls. This would be in addition to the existing duty on employers to take reasonable steps to prevent sexual harassment. The Health and Safety at Work etc. Act 1974 (Amendment) Bill is due for a second reading on 7 March.

Financial services: The Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA) consultation launched in November 2024 on remuneration reform closes on 13 March. Proposals include amending rules and expectations on material risk takers and variable remuneration, including bonus deferral periods. Any organisation interested in responding to the consultation must do so by 13 March.

## **April**

Statutory thresholds and payments: Employer national insurance contributions (increasing to 15% of employee earnings, up from 13.8%, with the payment threshold lowering to £5,000), National Minimum Wage (includes an increase to £12.21 per hour for workers aged 21 and over), Statutory Sick Pay (increasing to £118.75 as a weekly rate), statutory maternity, paternity, adoption and shared parental pay (weekly rate increasing to £187.18), and Tribunal compensation limits and statutory redundancy pay all set to increase. We await confirmation of the final figures.

Neonatal care leave and pay: The Neonatal Care (Leave and Pay) Act 2023 is expected to come into force in April 2025 as planned by the former Conservative government. We await confirmation of the exact timing, which is dependent on the current government's approach. Under this legislation, parents may be entitled to 12 weeks' leave and pay in the event their baby requires neonatal care. This will be in addition to existing leave and pay entitlements.

Whistleblowing: A new private member's bill is also being introduced to establish an independent "Office of the Whistleblower". This seeks to protect whistleblowers and grant the Office of the Whistleblower a number of powers. These include the power to set, monitor and enforce standards for the management of whistleblowing cases, to provide disclosure and advice services, to direct whistleblowing investigations and to order redress of detriment suffered by whistleblowers. The Office of the Whistleblower Bill is scheduled for second reading on 25 April.

## **June**

Domestic abuse and safe leave: The Domestic Abuse (Safe Leave) Bill proposes 10 days' paid "safe leave" for victims. It is anticipated that it will receive a second reading on 20 June 2025.

Bullying and respect at work: A long-awaited statutory definition of bullying has been proposed via the Bullying and Respect at Work Bill. Unlike discrimination, harassment and victimisation, there is currently no statutory definition of bullying. This Bill also proposes a “Respect at Work Code” that sets out the minimum expected standards for work environments. The Bill’s second reading is anticipated to take place on 20 June 2025.

## **July**

Carers and care workers: We anticipate draft legislation to improve the recruitment and retention of care workers will continue its passage through the legislative process in June. The Carers and Care Workers Bill also proposes creating a National Care Workers Council, which would be responsible for setting professional standards for care workers and establishing a system of professional qualifications and accreditation for care workers. The second reading is scheduled for 11 July.

Special constables: There is also a forthcoming Bill that seeks to permit Special Constables to be granted the right to take time off work to perform their duties. The second reading of the Employment Rights (Special Constables) Bill is scheduled for 11 July 2025.

## **September**

“Failure to prevent fraud” offence: On 1 September, a new criminal liability for large organisations that fail to prevent fraud comes into force via the Economic Crime and Corporate Transparency Act 2023. The government states the new corporate criminal offence will hold large organisations to account if they profit from fraud and seek to build a wider anti-fraud culture. Examples given of the offence include dishonest sales practices, hiding important information from consumers or investors, or dishonest practices in financial markets. To avoid criminal liability, an organisation must provide evidence that it had reasonable fraud prevention measures in place at the time the fraud took place.

## **No specific implementation date at the current time**

### Non-financial misconduct in financial services

Employers in the financial services sector will be wise to keep an eye on the publication of the FCA’s new rules on non-financial misconduct. A new framework is expected to be published in “early 2025” with an update on diversity and inclusion to follow.

Paternity Leave (Bereavement) Bill: once in force, this will remove the current 26-week minimum service requirement for fathers and partners to take paternity leave where

the mother of the child, or adoptive parent or intended parent in a surrogacy arrangement, dies shortly after the birth of the child. As a result, paternity leave will be a “day one” right for bereaved partners.

The Employment Rights Bill: This is currently at committee stage but various consultation exercises will take place in the course of 2025 with the bulk of provisions anticipated to come into force in 2026.

All in all, 2025 is an important year for ushering in significant and transformative employment law changes. Whilst some of the most significant changes to the law are not due to come into force with immediate effect, employer preparation for these changes will be key, given the extent of the reforms proposed.

*This overview is general guidance. It should not be relied upon without first taking separate legal advice. Neither the author nor Fox Williams LLP accepts any responsibility for any consequences resulting from reliance on the contents of this document.*