

Top Tips – What the new government means for employment law

Employment status reform – Employment status is important because it shapes employment rights. Currently, there is a three-tier system of employment status. An individual can be an employee, a worker or self-employed. Labour is proposing to move towards a single status of worker for everyone except the self-employed. This would involve merging employees and workers into a single category.

Introduction of a right to disconnect outside normal working hours - Labour is proposing to introduce a right to disconnect which it refers to, in its Plan to Make Work Pay, as the "right to switch off". This would seek to redress employees' work-private life balance, particularly in light of the growth of remote and hybrid working practices.

Unfair dismissal rights – Removal of the two-year qualifying service requirement to bring an ordinary unfair dismissal claim. Currently employees must have 2 years' service to pursue a claim of ordinary unfair dismissal. Labour is proposing to remove this requirement altogether and make it a day-one right. Employers may still operate probationary periods and 'fair' dismissals will be possible.

Sick Pay – Labour is planning to make statutory sick pay available to all workers, removing the lower earnings limit for Statutory Sick Pay (SSP) and removing the waiting period.

End of 'Fire and Re-hire' – A 'reform' of 'fire and rehire' but not an outright ban to outlaw the practice of seeking to impose new contractual terms by firing and re-hiring. An unreasonable failure to comply with the code may result in an uplift in any compensation awarded by an employment tribunal of up to 25%.

Ban on Zero-Hour Contracts – Labour plans to outlaw zero-hour contracts to ensure all workers have the right to a contract that reflects the hours they actually work (based on a 12-week reference period).

Family Friendly Protections – Labour plans to ensure flexible working is a genuine default, making parental leave a day 1 right and increasing dismissal protection for employees returning from maternity leave.

National Minimum Wage – expect the NMW to be increased to a 'genuine living wage' that people can live on and a removal of age bands of hourly pay – so all adults will receive the same rate.

If you're unsure about how to implement any of these strategies or need HR advice and support reach out to natalie@hr2goconsultancy.co.uk 07779 508972 01279 771098