

# Employment Law update

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# Employment Rights Act 2025

- Most significant employment legislation since the ERA 1996
- Many key changes coming into force throughout 2026, 2027 and 2028
- 6 April 2026 – day one parental leave and paternity leave
- Expected October 2026 – duty to take **all** reasonable steps to prevent sexual harassment and third-party harassment
- Expected January 2027 – UD qualifying period reduced to 6 months and removal of cap for UD compensatory awards

# Key statutory changes



- Reduction of qualifying period: Currently 2 years, reducing to 6 months
- Removal of the compensatory award cap: meaning awards become uncapped from 2027
- Written reasons for dismissal: Qualifying period for written reasons for dismissal also reduces to six months.

# Implications for Employers

- Increased Employment Tribunal exposure – no 2 year “safe period”
- Higher financial risk – higher compensation for higher earners
- Probation periods lose strategic value – even within probationary period need to show fair procedure
- Need for early stage performance and conduct management - regular reviews, documented feedback, and timely interventions

# Probationary period implications

- Shorter probationary periods
- Front load induction, training and KPIs, so concerns are identified early
- Structured and regular reviews which are formally documented



# Next steps for employers

- Review and re-draft (or draft) probation policies
- Strengthen HR processes, e.g. clear job descriptions and expectations and addressing issues early
- Train managers
- Review dismissal processes
- Consider workforce planning implications, e.g. pre-recruitment screening and onboarding support

# Practical recommendations

- Treat the first 3 months as the “risk management window”
- Introduce probation review templates and meeting schedules
- Ensure disciplinary/capability procedures apply to probationers
- Document every conversation about performance or conduct
- Prepare for the abolishment of the compensatory cap



# Thank you.

## Get in touch

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