

REFRESHING LAW

Down to Earth

Changes to come with the new bill Anna Denton-Jones April 2025



Injury to feelings in discrimination

- lower band of £1,200 to £12,100
- middle band of £12,100 to £36,400
- upper band of £36,400 to £60,700
- the most exceptional cases capable of exceeding £60,700.



DAY 1 UNFAIR DISMISSAL RIGHTS



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Present

 As you know at present generally the right to not be unfairly dismissed doesn't kick in until the person has 2 years service

There are exceptions – automatically unfair dismissals



Present

 Basic award – weeks' pay now £719 so maximum award £21570

 Compensatory award – one years' salary capped at £118,223

• 3 months to issue claim



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• 6 months to issue claim

 Remove the qualifying period – s108 claims will be able to be brought from day one.



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- Initial Period of Employment
- New concept likely to be 9 months
- Modified procedure compared to 'full' rights
- Right to be accompanied
- Maximum compensatory award





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Knock on on Redundancy

Initial period of employment does not apply to redundancy

Everyone will have to go into the same full process





Manager awareness of the change

 Biggest impact you can have right now is communicating this to as many people as many times as you can – start now



Actions you can take

• Make sure there are job descriptions

Do they clearly set out what is expected in the role?





Actions you can take

• Reinforce your probationary period clauses

• Improvement probationary review hygiene

Ensure mechanism to record probationary reviews



Knock on effect on reasons

 Right to receive written reasons for dismissal will also lower to from day 1





Positives

 Less tempting for those under 2 years to try and bring discrimination and whistleblowing claims?



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Impact on recruitment?

• Greater use agency workers to trial people?



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MAKING CONTRACT CHANGES



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Present

 Agreement of the parties needed to change contracts

• Employers have the upper hand in negotiations as can force through changes

• Protective awards 90 days pay per employee





Recent ACAS Code of Practice on Fire and Rehire

Risk 25% increase in compensation if not followed

• Main change is have to involve ACAS



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Bill

 New right to claim automatically unfair dismissal if the reason for the dismissal is the employer sought to vary the contract and the employee didn't agree

• 6 months to bring claim

Protective award 180 days per employee





Redundancy consultation in more cases

 20 or more affected within a 90 day period at 'one establishment'

• Will be new trigger threshold across entire workforce as well





Sole pathway through

- Reason for variation is to eliminate, prevent or significantly mitigate any financial difficulties which at the time of the dismissal was affecting or likely to affect the employer's immediate future
- ET told to take account of the extent to which there has been consultation and offers to agree



Massive swing of power to staff side

• Emboldened TU

• Employees who realise this law is on their side

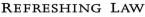




Actions you can take

 If you need to vary your contracts at all do it before this becomes law





Once in force

• Reaching agreement will be key





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Small groups

• Might be able to 'buy' a change

• Settlement agreements



Other alternatives

 If you can't reach agreement, end contracts and outsource work to third parties instead (contracting)



What about variation clauses?

 We have the right to amend your contract at any time

• Not effective, never have been







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