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10 BIGGEST CHANGES IN UNITED KINGDOM'S SWEEPING NEW EMPLOYMENT RIGHTS BILL: WHAT U.S. EMPLOYERS CAN DO TO PREPARE

Insights
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The United Kingdom just introduced a landmark new Employment Rights Bill, aimed at ending unfair employment practices and helping to deliver economic growth. According to the United Kingdom's Prime Minister's Office, this is set to be the biggest upgrade to worker's rights in a generation. Here's what you need to know about this new employment rights bill, introduced on October 10, and what you can do to prepare.

Main Proposed Changes

The new Employment Rights Rill proposes a number of changes to current employment laws in the United Kingdom. Below are the 10 most important ones:

1. **Day One Benefits:** From day one of their employment, employees will be entitled to statutory sick pay, paternity, parental, and bereavement leaves.

2. **Day One Rights:** Likewise, employees will be able to bring unfair dismissal claims against their employer before the end of their probation period.

3. **Zero-Hour Contracts:** Workers under zero-hour contracts, who previously were not guaranteed a set

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number of hours, will be guaranteed a set number of hours if they work a regular number of hours over a defined period. However, workers can remain on zero-hour contracts if they prefer. The bill also requires employers to give reasonable notice to zero-hour workers before canceling, changing, or reducing their shifts and employers may need to compensate employees if they fail to do so.

4. **Fire and Hire:** Employers can no longer dismiss employees who do not agree to vary the terms of their employment. Likewise, employers cannot dismiss employees and then re-hire them, or another person, to vary the terms of their employment. However, an exception exists for employers who could not have reasonably avoided the need to make the variation, or who encountered financial difficulties affecting the employer's ability to carry on the business. For these exceptional situations, the bill lists several conditions to consider when assessing whether the termination was fair or unfair.

5. **Pregnancy Dismissal:** Pregnant employees and those returning from maternity leave will have stronger protections against dismissal (including redundancies and other types of dismissals).

6. **Flexible Workplace:** Flexible workplaces will become the default where practical. However, employers can refuse employees' requests for flexible work due to a financial burden, detrimental effects on meeting customer demands, negative impact on quality or performance, among other reasons.

7. **Sexual Harassment:** Employers will be required to take ***all*** reasonable steps to prevent sexual harassment, including third-party harassment. Specific regulations will specify steps that are to be considered as reasonable.

8. **Collective Redundancies:** The bill changes the requirement for employers to consult with representatives in case of collective redundancies.

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Currently, the consultation requirement is triggered when 20 employees are to be terminated in one establishment. Under the new bill, the consultation requirement is triggered when 20 employees are terminated in the company, regardless of the number of establishments.

9. **Equality:** The bill amends the Equality Act of 2010 to require, among other things, that employers develop and publish "equality action plans" showing the steps that the employers are taking with regard to prescribed gender equality matters.

10. **Trade Unions:** The bill makes several amendments to the Trade Union and Labour Relations (Consolidation) Act of 1992, including a requirement that employers must give employees a written statement that the employee has the right to join a trade union. In addition, the bill provides for "access agreements," entered between union officials and employers, allowing union officials to meet, organize workers, or facilitate collective bargaining on company premises.

What's Next?

The employment rights bill is currently being debated in the United Kingdom Parliament. As the bill has yet to be approved by the Parliament, it will likely be amended. As a result, the proposed changes listed above may not become final.

What Should You Do?

Should the proposed changes take effect, U.S. companies with employees or workers in the United Kingdom should revise their hiring, promotion, harassment, and paid leave policies. In light of this new bill, U.S. companies should also consider making changes to how they approach personnel decisions going forward. Our International Practice Group can help your business navigate these changes.

Conclusion

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We will continue to monitor developments related to employment law changes in the United Kingdom and, specifically, the approval of this new employment rights bill. Make sure you are subscribed to Fisher Phillips' Insight System to get the most up-to-date information. If you have questions, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our International Practice Group.

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