

Employment Law Changes 2026-2027: Is Your Business Ready?

The UK's most significant employment law reforms in decades are now underway, bringing major changes for employers throughout 2026 and 2027.

From today, 1 October 2026, the time limit for most Employment Tribunal claims has doubled from three months to six months. This is just one of several important changes that will affect how businesses manage employees, handle workplace issues, and protect themselves from legal risk.

Further reforms take effect on 30 October 2026, 1 January 2027, and throughout 2027.

For many businesses, particularly SMEs without dedicated HR support, the challenge is not simply understanding the law. It is ensuring that policies, procedures, contracts, documentation and managers are prepared for the changes ahead.

Why These Changes Matter

Most employment disputes do not arise because employers intentionally ignore the law.

More often, problems occur because:

- Policies have not been updated
- Managers follow outdated processes
- Important conversations are not documented
- Probation reviews are missed
- Contracts no longer reflect legal requirements
- Businesses are unaware that legislation has changed

The latest reforms increase the importance of having robust and well-documented employment practices in place.

The key question for employers is simple:

Are your contracts, policies and management processes fit for purpose?

Five Key Employment Law Changes Employers Need to Know

1. Employment Tribunal Claim Time Limits Have Doubled

From 1 October 2026, employees have up to six months rather than three months to bring most Employment Tribunal claims.

This means workplace decisions and disputes could be challenged much later than employers may have previously expected.

As a result, good record keeping becomes even more important. Employers should ensure they maintain clear records of:

- Performance discussions
- Grievances and complaints
- Disciplinary processes
- Absence management conversations
- Probation reviews
- Workplace adjustments
- Dismissal decisions and the reasons behind them

If a decision made today is challenged several months later, would your business be able to clearly demonstrate what happened and why?

2. Stronger Harassment Duties Arrive on 30 October 2026

From 30 October 2026, employers will be required to take "all reasonable steps" to prevent sexual harassment in the workplace.

In addition, employers may be held responsible for harassment carried out by third parties, including:

- Customers
- Clients
- Contractors
- Suppliers
- Visitors
- Members of the public

This creates additional responsibilities for organisations, particularly those operating in customer-facing environments such as retail, hospitality, leisure and healthcare.

Businesses should now review:

- Anti-harassment policies
- Reporting procedures
- Management and employee training
- Investigation processes
- Workplace risk assessments
- Procedures for dealing with inappropriate customer behaviour

Having a policy alone may no longer be enough. Employers will need to demonstrate that reasonable preventative steps have been taken.

3. Unfair Dismissal Protection Will Apply Much Earlier

From 1 January 2027, employees will gain ordinary unfair dismissal rights after six months' service, rather than the current two-year qualifying period. This means it already relates to anyone hired from July.

At the same time, the cap on compensatory awards for unfair dismissal claims will be removed.

This places increased importance on:

- Recruitment decisions
- Structured onboarding
- Probation management
- Regular performance reviews
- Manager training
- Documented performance conversations
- Fair and consistent dismissal procedures

Employers will still be able to dismiss employees for legitimate reasons, but robust processes and clear documentation will become essential much earlier in the employment relationship.

If your current probation process is largely informal, now is the time to review it.

4. Greater Restrictions on Contract Changes

Businesses frequently need to adapt roles, working arrangements and contractual terms as circumstances change.

However, from 1 January 2027, new restrictions on so-called "fire and rehire" practices will significantly increase the risks associated with changing employment contracts.

Before introducing contractual changes, employers should carefully consider:

- Why the change is necessary
- Whether alternatives exist
- The strength of the commercial rationale
- How staff will be consulted
- How the process is documented
- Whether specialist advice is required

What may previously have been viewed as a straightforward contractual change could now expose a business to greater legal risk if handled incorrectly.

5. Statutory Sick Pay Rules Changed Earlier This Year

Some important changes have already taken effect.

Since 6 April 2026, Statutory Sick Pay (SSP):

- Is payable from the first full day of absence
- No longer requires employees to meet the previous Lower Earnings Limit
- Is calculated using revised eligibility rules

Businesses should ensure that:

- Absence policies are up to date
- Employee handbooks reflect current legislation
- Payroll systems have been updated
- Managers understand the new requirements

Employers who continue operating under the old rules could inadvertently provide incorrect information to employees or administer payments incorrectly.

More Changes Are Coming in 2027

The reforms do not stop there.

Additional measures expected throughout 2027 include changes relating to:

- Flexible working
- Bereavement leave, including pregnancy loss
- Enhanced protections for pregnant employees and new mothers
- Guaranteed hours for qualifying workers
- Reasonable notice of shifts
- Compensation for short notice shift changes

- Collective redundancy requirements
- Gender equality and menopause action plans
- Trade union information rights
- Regulation of umbrella companies
- extending blacklisting protections
- industrial relations framework
- non disclosure agreements (NDAs): regulations to prevent the misuse of NDAs in cases of workplace harassment or discrimination

While some implementation details are still being finalised, employers should begin preparing now for the confirmed changes already on the horizon.

Why Review Your Policies and Procedures Now?

The challenge for many businesses is not one individual change, but the cumulative impact of multiple reforms arriving within a relatively short period.

Key dates include:

- 6 April 2026: Statutory Sick Pay reforms
- 1 October 2026: Extended Employment Tribunal claim windows
- 30 October 2026: Stronger harassment duties
- 1 January 2027: Major unfair dismissal and fire-and-rehire reforms
- Throughout 2027: Further employment rights reforms

Employment law is changing rapidly. Relying on processes that have "always worked" could increasingly expose businesses to risk.

Now is the ideal time to review your contracts, policies, procedures and management practices to ensure they remain compliant and effective.

Need Support?

The Chamber works with specialist HR and employment law advisers to help businesses understand the changes and prepare for the future.

Whether you need help reviewing policies, updating employment contracts, managing probation periods, handling grievances or understanding your legal responsibilities, support is available.

Chamber Members

Members can access support through our HR and Employment Law service, including expert advice, practical guidance and a range of template documents and resources. [Chamber Protect](#)

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Employment law is changing. Make sure your business is ready.