

# NEW EMPLOYMENT AND TRADE UNION LAWS

During this Summer's General Election campaign, the Labour Party promised voters they would "Make Work Pay" - their policies to deliver "A New Deal for Working People" - namely higher wages, making work more secure, and helping people more family-friendly employment.



**ON** 10 October, the UK Government unveiled its new Employment Rights Bill, the most significant overhaul of employment law in decades. Ministers claim the proposals will make workplaces fairer and more responsive to modern needs - for workers & employers - while promoting economic growth. This draft legislation sets out 28 individual employment reforms and the main proposals are:

**Day One Protection:** workers will be protected from unfair dismissal while allowing employers to operate probationary periods - and be entitled to paternity, parental & bereavement leave from their first day on the job, removing the current 2-year waiting period.

**Zero-Hour Contracts:** the Bill addresses exploitative zero-hour contracts, allowing workers on regular hours to request guaranteed hours while

preserving flexibility for those who prefer it.

**Fire and Rehire:** the Bill seeks to end 'fire & rehire' and 'fire & replace' practices to prevent companies from forcing workers onto worse terms when re-hired.

**Statutory Sick Pay:** sick pay eligibility will be expanded by removing the lower earnings threshold and the waiting period before it starts.

**Fair Pay:** HM Government has changed the Low Pay Commission's remit so that it takes account of the cost of living when recommending the National Minimum Wage rate. This Bill will remove the age bands, so every working adult will be entitled to the same minimum wage, irrespective of age.

**Flexible Working:** flexible working will become the default, unless employers can show why it is not practical for their business.

**Pregnancy:** protection for pregnant women and new mothers returning to work will be strengthened - notably from dismissal whilst pregnant, on maternity leave, and within 6 months of returning to work.

**Gender:** large employers will be required to produce action plans on how to address their gender pay gaps - and on how they will support employees through the menopause.

### Trade Union Rights

All of the restrictions imposed by the Conservatives on trade unions over the past 14 years will be repealed - while a series of new powers will be granted. All workers must be told by their employer of their right to join a trade union. Union reps will be given the right to enter workplaces to recruit and organise new members. Unions will find it easier to get formal recognition and launch any industrial action as the current rules on ballots are relaxed - and online voting will be allowed.

Union Equality Officers will also gain the right to time off for activities "promoting equality in the workplace" that mirror the rights currently available to union reps. Employers will also be required to give all union reps facilities - such as office space. Workers will have to opt out of political funding to the Labour Party and other campaign work - reversing current Conservative laws requiring them to opt in.

This Bill requires companies to begin formal recognition of a trade union if a certain number of staff join. For collective bargaining, ballots will no longer need a turnout of at least 40% of workers to agree. For industrial action, ballot

requirements will be changed to a simple majority of those who vote - rather than a threshold of 50% of union members before strikes can be called.

### Enforcement

Labour ministers want to establish a new Fair Work Agency that will bring together existing enforcement functions into a single public body including:

- Minimum wage and statutory sick pay enforcement
- The employment tribunal penalty scheme
- Labour exploitation and modern slavery;

As well as introducing a new role to enforce holiday pay & sick leave policy.

The Employment Rights Bill is 158 pages long and is currently before Parliament where MPs are debating and scrutinising it during November and December. Several aspects will be subject to consultation next year. The majority of proposals (if passed by Parliament) will not come into force before 2026 to give employers time to prepare for the changes.

The GOV.uk press release can be found here along with quotes from various corporate business leaders: <https://www.gov.uk/government/news/government-unveils-most-significant-reforms-to-employment-rights>

### Conclusion

These proposals are the brainchild of Deputy Prime Minister, Angela Rayner MP, who is leading the drive to improve pay and conditions for working people. With a 174-seat majority in the House of Commons, the BMF expects that most of these "Make Work Pay" proposals will become law.