



Employment Rights Act: Is your business ready for October and January changes?

Employment law in the UK is entering one of its most significant periods of change in decades. Between October 2026 and throughout 2027, a wave of reforms under the Employment Rights Act will reshape how employers manage trade union relations, harassment risk, dismissal procedures, and workforce planning. For employers, the message is simple: the earlier you start preparing, the less disruptive these changes will be.

What's changing in October 2026

The first wave of reforms lands in October and touches several areas of day-to-day employment practice. Employers will need to **notify workers of their right to join a trade union**, which means induction materials and staff handbooks should be reviewed now. Unions will also gain easier access to workplaces and stronger footing during recognition disputes, so it's worth ensuring managers understand the new rules around union reps and industrial action before they're tested in practice.

Harassment protections are also tightening substantially. Employers will need to demonstrate they are taking all reasonable steps to prevent sexual harassment at work – Not just some – which makes this a good moment to review policies, training and reporting procedures. Liability is extending to harassment by third parties, including customers, clients and contractors, and now covers all types of unlawful harassment, not just sexual harassment. Policies should be updated to reflect this broader scope.

Beyond these two headline areas, October also brings the return of the Two-Tier Code for outsourced public sector contracts (requiring fair, consistent terms for affected staff), and an extended tribunal time limit – doubling from three months to six for most claims. That longer window means employers should expect claims to surface later than they might currently anticipate and should keep records and documentation for correspondingly longer.

What employers should be doing now

The scale of these reforms means employers shouldn't wait until the changes take effect to start preparing. Reviewing policies, training managers, and building the 2027 changes into workforce planning now will put your business in a far stronger position than trying to catch up after the fact.

Further information

For more information or to enquire about Mentor services, please contact Paul Buck, Mentor Relationship Director on 07900 168513 (Relay UK 18001 07900 168513) or by email at paul.buck@mentor.co.uk. Fees apply.*

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The bigger shift: January 2027

If October is about tightening existing obligations, January 2027 introduces a genuinely fundamental change to dismissal risk. From 1 January, **employees will qualify for ordinary unfair dismissal protection after just six months' service**, rather than two years – meaning most of the workforce will gain these rights far sooner than employers may be used to. At the same time, **the cap on compensatory awards is being removed entirely**, so a successful claim could carry a significantly higher price tag than it does today.

Together, these two changes raise the stakes considerably around how new starters are managed. Employers should use the time between now and January to tighten probation and performance management processes, train managers to document performance issues properly from day one, and review dismissal procedures so decisions can be justified and defended if challenged. This isn't a change to prepare for in December – the groundwork needs to start well before then.

January also brings **changes to fire and rehire practices**. Dismissing employees in order to re-engage them on less favourable terms will become automatically unfair in almost all circumstances. Employers considering contractual changes should review their approach now and lean on genuine consultation and agreement, rather than risk relying on forced terms.

Further reforms are expected to take effect through the rest of 2027, and we'll be covering these in future articles as more detail becomes available.

Join our webinar

Our employment law experts are hosting a free webinar, **Dismissal decisions: The stakes have changed**, on 25 November. The session will cover the upcoming changes to unfair dismissal qualifying rules, along with other legislation changes taking effect in the coming months.



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