

# Employment Law Factsheet

## April 2025 Edition

April is always a busy time for employment law and this year is no different. As well as regular statutory pay increases, there are changes to National Insurance and the implementation of a new law.

There is also the (not so) small matter of the Employment Rights Bill, which is rapidly advancing through parliament.

Find out what you need to know in this factsheet.



## Statutory Changes

As is the case most years, National Minimum Wage and statutory pay rates will be increasing.

Here's the numbers that matter.

### National Minimum Wage

|                                 |                        |
|---------------------------------|------------------------|
| 21-year-old and over            | <b>£12.21 per hour</b> |
| 18-21-year-olds                 | <b>£10.00 per hour</b> |
| Apprentices and 16/17 year-olds | <b>£7.55 per hour</b>  |

### Statutory payments

|   |                         |
|---|-------------------------|
| Maternity, paternity, adoption, neonatal care, shared parental and parental bereavement leave | <b>£187.18 per week</b> |
| Statutory sick pay  | <b>£118.75 per week</b> |

*The lower earnings limit for an employee to qualify for these statutory payments will rise from £123 to £125, whilst the lower earnings limit for maternity pay will stay at £30.*

## Employers National Insurance Contributions

This is the real headline grabber from Labour's Autumn Budget, which will affect all SMEs.

Employers National Insurance Contributions (ENIC) will rise from 13.8% to 15%, with the level at which employers start paying them dropping from £9,100 to £5,000. For an employee earning the median average salary in the UK, that brings an additional cost of over £900 for the employer.

One mitigation for this comes from the extension of the employment allowance, which employers can claim. The amount you can claim has increased from £5,000 to £10,500. There was previously an ENIC liability threshold of £100,000, above which employers couldn't claim this allowance. That has now been removed, making it accessible to more business.

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Preventing People Problems

## NEW - Neonatal Care (Leave and Pay) Act

A new law coming into force in April will require new policies, rewritten handbooks and most likely some management training. The Neonatal Care (Leave and Pay) Act 2023 introduces a new statutory leave as a day one employment right and pay for employees who have a least 26 weeks' continuous service, should a baby up to 28 days old be admitted to hospital for a continuous stay of seven days or longer.

Here's some key information on how it works:

- The pay applies to employees who have at least 26 weeks' continuous service with you by the relevant week, which is 15 weeks prior to the expected week of birth, or in the case of an adoption, the week they are notified of a match
- The employee must be earning at least the National Insurance Lower Earnings Limit - £125 per week as of April – to be eligible for pay
- The entitlement extends to birth parents, adoptive or prospective adoptive parents, intended parents through surrogacy and a partner of a baby's mother or primary adopter (if they live together in an enduring family relationship)
- Recipients are entitled to take up to 12 weeks off in blocks of a week for each week their baby is in hospital. The leave must be taken within 68 weeks of the baby's birth and is in addition to other statutory leaves
- There are two tiers of leave: Tier 1 for leave concurrent with the care, and Tier 2 for leave after the care is complete. These have slightly different rules from each other family leaves
- Employees will enjoy the same protections from things like dismissal and detriment as they would from other family leaves

## Employment Rights Bill

### Current state of play

The Employment Rights Bill has now completed its passage through the House of Commons and is working its way through the House of Lords. Unless any major amendments are brought forward in the Upper House, we expect the Bill to gain Royal Assent this summer. This means some changes could come into force as soon as autumn this year – though we expect the majority to be implemented 2026.

We do now have further information on what many of the changes will look like. Here, you will find a short summary of ten key changes. Keep an eye out for our upcoming whitepaper, in which we will go into further depth on each of these and more.

### Key changes

#### Unfair dismissals

The current two-year period where employees cannot claim unfair dismissal is being scrapped. The government is replacing it with an 'initial period of employment' where lower tests for unfair dismissal will be applied. This is expected to be for a period of nine months.

#### Tribunal claim limits

The amount of time an employee has to put forward a claim regarding a employment tribunal is to double. It is currently three months, but this will be extended to allow employees a six-month time limit to make a claim.

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### **Statutory Sick Pay from day one**

The current three-day waiting period for an employee to access Statutory Sick Pay (SSP) is to be removed – making it payable from the first day of their absence. The weekly rate payable will be either £118.75, or 80% of the employee's normal weekly earnings – whichever is lower.

### **Guaranteed contracts for zero hour and agency workers**

One of the headline changes in the bill is the guaranteed right to contracted hours, as well as the right to reasonable notice and/or pay for cancellation or curtailment of shifts. This was originally applicable to zero-hour workers but has been extended to agency workers following consultation.

### **Protection from harassment**

A change that will have a huge effect, particularly in public-facing businesses, is the requirement for businesses to protect staff from third-party harassment. Employers will be expected to take all reasonable steps to prevent this happening in the course of employment.

### **Parental and bereavement rights**

Paternity and Adoption Leave rights are to become available from Day One of the employment, rather than requiring 26 weeks' continuous service. As well as this, Bereavement Leave is to become available to everyone, rather than just those with dependents.

### **Flexible working**

The bill proposes a further push for flexible working – effectively making it the default. The employer may only refuse applications on specific 'reasonable grounds' and must fully explain these reasons to the employee, in writing, when responding to the request.

### **Collective redundancies**

The protective awards for failure to consult during collective redundancies (over twenty people) will be doubled, from 90 days to 180. The protective award is full pay, due to any employee who has been affected. There is also an additional 30-day consultation and form to complete.

### **Trade union reforms**

A whole host of reforms will be implemented relating to trade unions. Overall, they are intended to make it easier to join and organise trade unions by lowering notice periods and thresholds for union recognition, as well as increasing the length of time before a mandate for action expires.

### **The Fair Work Agency**

A new enforcement ombudsman – the Fair Work Agency – will be created and introduced by the government, designed to monitor and ensure implementation of employment rights within businesses – having powers to investigate and take action against breaches.

**The HR Dept can support you with everything you need to manage these changes.**

**Whether it is staying compliant with new laws, or strategic planning to minimise the impact of the Employment Rights Bill, our retained clients get personal, tailored support to help them manage the change.**

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