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What to expect in employment law in 2025

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What we will cover

- Employment tribunal claim trends
- Key changes in 2025
- Employment Rights Bill
 - Consultations
 - Recent amendments
- Other possible developments
- Cases to watch
- Our predictions

Employment tribunal claim trends

- Total number of claims in 2023/24 increased to 97,000 - significant increases expected in 2027 and beyond
- Highest compensation award for 2023/24 was for £995,128 in a sex discrimination case
- Highest compensation award for unfair dismissal was £179,124
- Costs awards are still relatively rare
- Increasing number of claims involving workplace issues related to neurodiversity

Key changes in 2025

Date	Change
20 January	Employment tribunals will be able to increase or decrease compensation in claims for protective awards where a party has not complied with the statutory Code of Practice on Dismissal and Re-engagement
Late January	New employment tribunal Practice Direction will, after a short period of grace, prevent ET3 forms being presented by email
1 April	Changes to National Living and Minimum Wage
6 April	Changes to employer national insurance contribution rates
6 April	Increases to statutory benefits and employment tribunal compensation
April – expected but still to be finally confirmed	Neonatal leave and pay – up to 12 weeks of leave for parents of children receiving neonatal care, with statutory pay if parents meet qualifying criteria
Second half of 2025 – possibly but will depend on how Bill progresses	Employment Rights Bill expected to receive Royal Assent resulting in (1) immediate repeal of Strikes (Minimum Service Levels) Act 2023 and, two months later, (2) repeal of much of the Trade Unions Act 2016

Employment Rights Bill

- May be in force in second half of 2025
- Most of provisions will require secondary legislation and will not be in force until 2026
- Day 1 unfair dismissal – not until Autumn 2026
- 2025 will be dominated by consultations and possibly some further amendments to the Bill
- We will be providing quarterly webinar updates on the Bill throughout 2025

Consultations in 2025

- Unfair dismissal including:-
 - Length of “initial period” of employment
 - How modified procedure will work
 - Compensation regime
- Guaranteed hours and the right to payment for shifts cancelled at short notice including:-
 - Which workers are in scope
 - How review periods should work
 - What constitutes “short notice” of cancellation
 - How much will a payment be
 - Exemptions

Consultations in 2025

- Collective consultation including:-
 - Strengthening the collective redundancy framework
 - Doubling the minimum consultation period required where 100 or more redundancies proposed from 45 to 90 days
- TU rights including:-
 - Detail of how rights of access to workplaces will work
 - Written statement of right to join a trade union

Consultations in 2025

- Details of approach to be taken to flexible working
- Details of new right to bereavement leave

This is not an exhaustive list, and other consultations may be announced as the year progresses

Employment Rights Bill - amendments

- 53 page long “Amendment Paper” published in November 2024
- Government backed amendments include:-
 - Time limits for lodging all employment tribunal claims increasing from 3 to 6 months
 - Introduction of power for Secretary of State to specify cap on compensatory award for dismissals during initial period
 - More detail on steps employers will have to take in relation to duty to offer guaranteed hours and provision for employees to bring claims for breach of the duty
 - More detail of rules relating to payments when shifts are cancelled or changed

Other possible developments

- Equality (Race and Disability) Bill – a draft is expected at some point for pre-legislative scrutiny
- Paternity Leave (Bereavement) Act 2024
- Code of Practice on the right to switch off

Key cases

Case	Issue
Higgs v Farmor's School was heard by the Court of Appeal in October 2024 – decision awaited	Was it correct to find no unlawful discrimination on the basis that a Christian employee had been dismissed not because of their (protected) belief that an individual cannot change their biological sex but due to their inflammatory language used within Facebook posts?
Sullivan v Isle of Wight Council will come before the Court of Appeal in February 2025	Should the Employment Rights Act be interpreted to let an external job applicant bring a whistleblowing claim?

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Our predictions



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Questions?