

THE EMPLOYMENT RIGHTS ACT 2025

# 6 actions HR & Benefits leaders must take in 2026

A practical guide to preparing your organisation for the Employment Rights Act.





## WHY THIS MATTERS NOW

**The Employment Rights Act 2025 is now in force and expectations are rising fast.**

In December 2025, the Act received Royal Assent, triggering wide-ranging changes to UK employment law. While many provisions of the Act will be introduced in phases throughout 2026 and 2027, the impact for employers is already starting to be clear.

2025

2026

2027



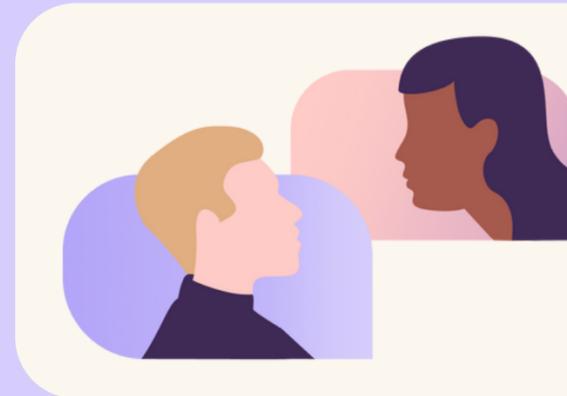
## WHY THIS MATTERS NOW

Core employment rights and protections are being expanded.



Tribunal access and enforcement are changing.

Employer decisions will face greater scrutiny, particularly where processes, timing and consistency are concerned.





# This is not a “wait and see” issue.

**For HR and Benefits leaders, 2026 planning matters because your actions will determine whether your organisation can show that it:**

- Acted fairly and in line with the ERA requirements
- Took timely and proportionate steps
- Applied decisions consistently
- Could evidence how support and processes operated in practice

When health-related issues arise, such as absence, adjustments, performance concerns or sensitive life events, employers will be judged on how they responded.

This guide sets out practical actions organisations should take in 2026 to prepare for the modernised employment law regime introduced by the Employment Rights Act 2025.



**Claire Neal**  
HR and People Consultant

“The Employment Rights Act is one of the most significant sets of changes employers have had to deal with for some time. It will require significant updates to policies, processes and everyday practice. Although some changes are phased, 2026 is the year employers need to get their foundations right. Waiting until everything is mandatory is where risk starts to build.”



# Health at work is a core business issue

# 1 in 4

UK workers say their job harms their health

[Source](#)

# 1.9 million

people report work-related ill health

[Source](#)

# 1 in 5

UK workers has a long-term health condition

[Source](#)

# £120 per day

Employers lose on average £120 per day in profit from sickness absences

[Source](#)



SECTION 2

# What you need to know about the Employment Rights Act



## WHAT YOU NEED TO KNOW ABOUT THE EMPLOYMENT RIGHTS ACT

# The key points HR & Benefits leaders need to understand

### The Employment Rights Act 2025 introduces wide-ranging reforms across UK employment law.

Many of its provisions will be implemented in phases during 2026 and 2027, with further detail set out through secondary legislation and guidance. For employers, the most important things to understand are:

- The Act raises the overall level of protection for workers, particularly around dismissal, family leave, flexible working and sickness.
- Employees will find it easier to take cases to tribunal, and the potential outcomes of claims may change.
- Employers will face greater scrutiny of decisions and processes.
- The Act increases the importance of consistency, evidence and defensible decision-making.
- The changes affect employees at every stage of their working life.

### The Act brings a renewed and higher focus to health and wellbeing in the workplace.

It changes the legal and practical context in which employment decisions are assessed.

In this new context, scrutiny increasingly focuses on whether employers can show that:

- Issues were addressed promptly, rather than only once they escalated
- Processes were clear, accessible and understood by employees
- Similar situations were handled consistently across the organisation
- Managers were supported by clear frameworks and appropriate expert input



**Employers must be able to evidence what happened, when it happened and how decisions were applied in practice.**

It is no longer sufficient to rely on statements such as:

**“We have a policy.”**

**“Managers are trained.”**

**“Employees could have raised this earlier.”**



**Claire Neal**  
HR and People Consultant

“The direction of travel is clear: there is more onus on employers to get things right from day one, particularly around leave, sickness and flexible working. With changes to tribunal access and timeframes, employer decisions are more likely to be challenged, which makes consistency and good process more important than ever.”



SECTION 3

# Where risks sits



## WHERE RISK SITS

# How organisations become exposed in practice

Most employers do not fail because of poor intent. They become exposed because:

- Issues are identified too late
- Responses depend heavily on individual manager judgement
- Similar cases are handled differently across teams or sites
- Employees delay raising concerns or are unsure where to go

These risks rarely begin with a formal grievance or claim. They usually begin with:

- Quiet underperformance linked to health
- Repeated short-term absence
- Delayed or inconsistent adjustments
- Informal handling that later becomes formal

Risk is often created long before formal processes begin.



**Claire Neal**  
HR and People Consultant

“Most issues don’t escalate because employers don’t care. They escalate because things aren’t picked up early enough or managers don’t feel confident handling sensitive situations.”



# Over 40,000

people were signed off with fit notes each working day last year.

**In total, an estimated 11 million fit notes were issued over the course of 2025. A stark reminder of how common health-related absence is.**



SECTION 4

# The 6 actions



# It's not all doom and gloom, we're here to help!

We've put together 6 practical steps to help you get ready for the Employment Rights Act without overcomplicating things.

These actions are not statutory duties, they simply help you to understand what matters most and which priorities to focus on. Chances are, you're already doing some of this well. They support with joining the dots, tightening a few gaps and building confidence across the organisation.

Each action shows:

- What good looks like
- What you can do now
- Why it matters as expectations rise
- What happens if nothing changes

Taken together, they give you a clear, practical way forward and a reminder that getting ready for the Act is manageable.



**91%**

of employers say they offer some kind of flexible working arrangement

[Source](#)

**“The Government’s Employment Rights Bill Implementation Roadmap confirms that employers will have time to prepare, but should start now, while details are consulted on and finalised.”**

[Source](#)

Early intervention services can reduce the length of long-term sickness absences by

**17%**

[Source](#)

**A lack of line manager skills and confidence is the top challenge for employee wellbeing.**

[Source](#)



## ACTION 1

# Identify where health-related issues are most likely to escalate



### What good practice looks like

Organisations understand where health-related issues most commonly become complex, sensitive or contentious.

This means knowing which situations tend to escalate, where managers feel least confident, and where HR is most often pulled in late.



### What to do in 2026

Take a structured look at where health-related risk shows up in your organisation. In practice, this means:

- Reviewing recent absence, employee relations and formal HR cases to spot patterns.
- Identifying situations where managers regularly seek advice or delay action
- Speaking to HR teams and line managers about where they feel least confident

Focus particularly on:

- Reasonable adjustments
- Health-linked performance concerns
- Pregnancy, parental and postnatal health
- Menopause and long-term conditions
- Informal mental health disclosures

The aim is to pinpoint where earlier or clearer support could prevent escalation.



## ACTION 1

# Identify where health-related issues are most likely to escalate



### Why this matters

When organisations cannot clearly identify where risk arises, they struggle to show that reasonable steps were taken at the right time.

Under increasing scrutiny, employers need to be able to demonstrate that:

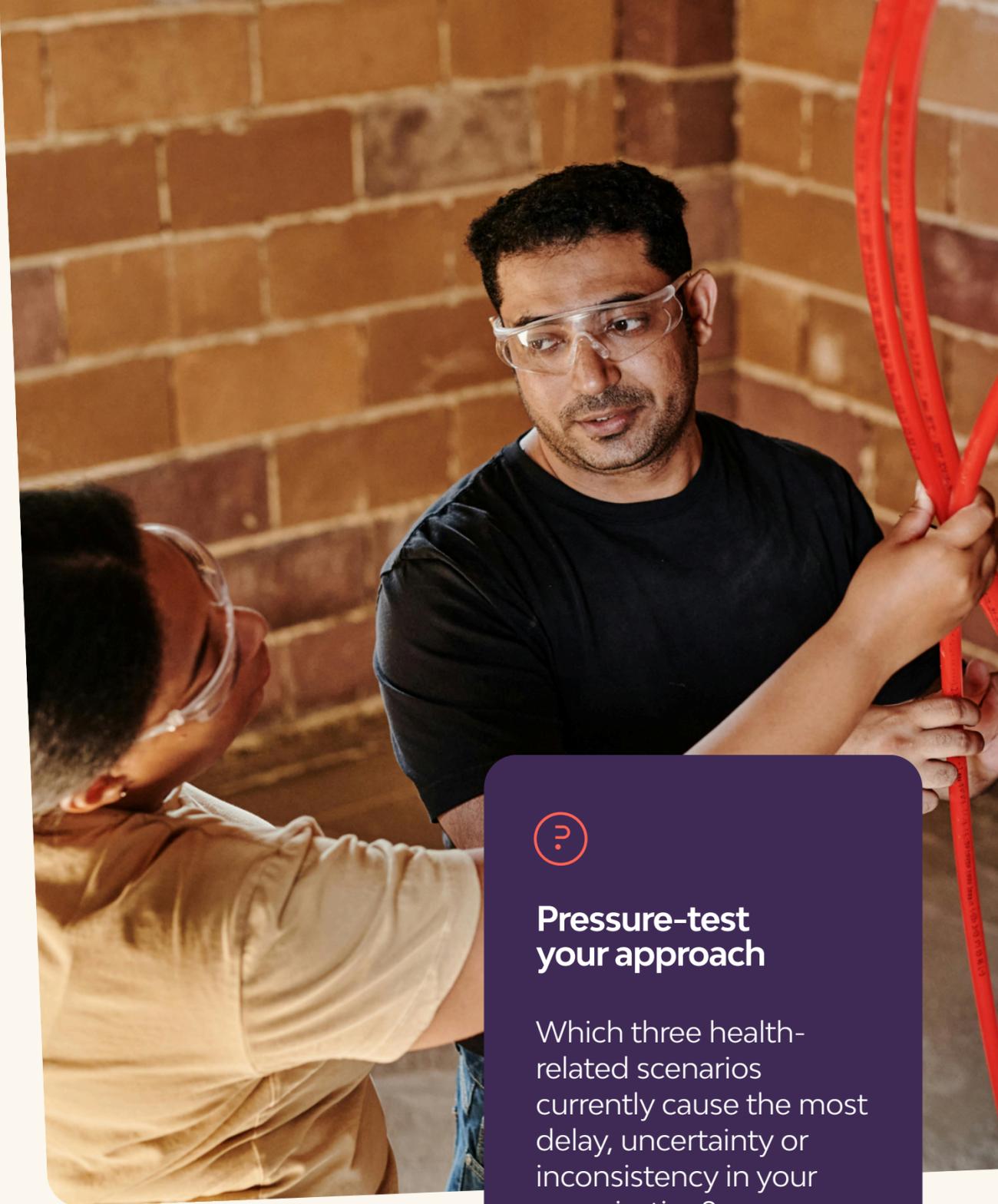
- Risks were recognised early
- Support was available before issues escalated
- Decisions were proportionate and informed



### Risk of inaction

Without this clarity:

- HR is engaged only once situations are already complex
- Issues escalate into formal absence, performance or grievance processes
- Employer responses appear reactive rather than reasonable



### Pressure-test your approach

Which three health-related scenarios currently cause the most delay, uncertainty or inconsistency in your organisation?



## ACTION 2

# Make support easy to find and easy to use



### What good practice looks like

Employees know exactly where to go when something isn't right, and can access support early, confidentially and without friction. Support is visible, easy to understand and does not rely on employees navigating complex policies or manager discretion to get help.



### What to do in 2026

Pressure-test how support actually works from an employee's point of view. In practice, this means:

- Mapping the real journey an employee would take if they needed help
- Checking how clearly support options are signposted and explained
- Testing whether access to expert support is simple or requires escalation

Ask yourself:

- Where would someone go first if they were struggling?
- How easy is it to find the right support without involving a manager?
- Is support available early, or only once absence or performance issues arise?

The aim is to identify where friction, delay or confusion might prevent early support.



## ACTION 2

# Make support easy to find and easy to use



### Why this matters

When support pathways are unclear or hard to access, employees often delay seeking help. This increases the likelihood that:

- Health issues escalate unnecessarily
- Absence becomes prolonged
- Informal concerns turn into formal disputes

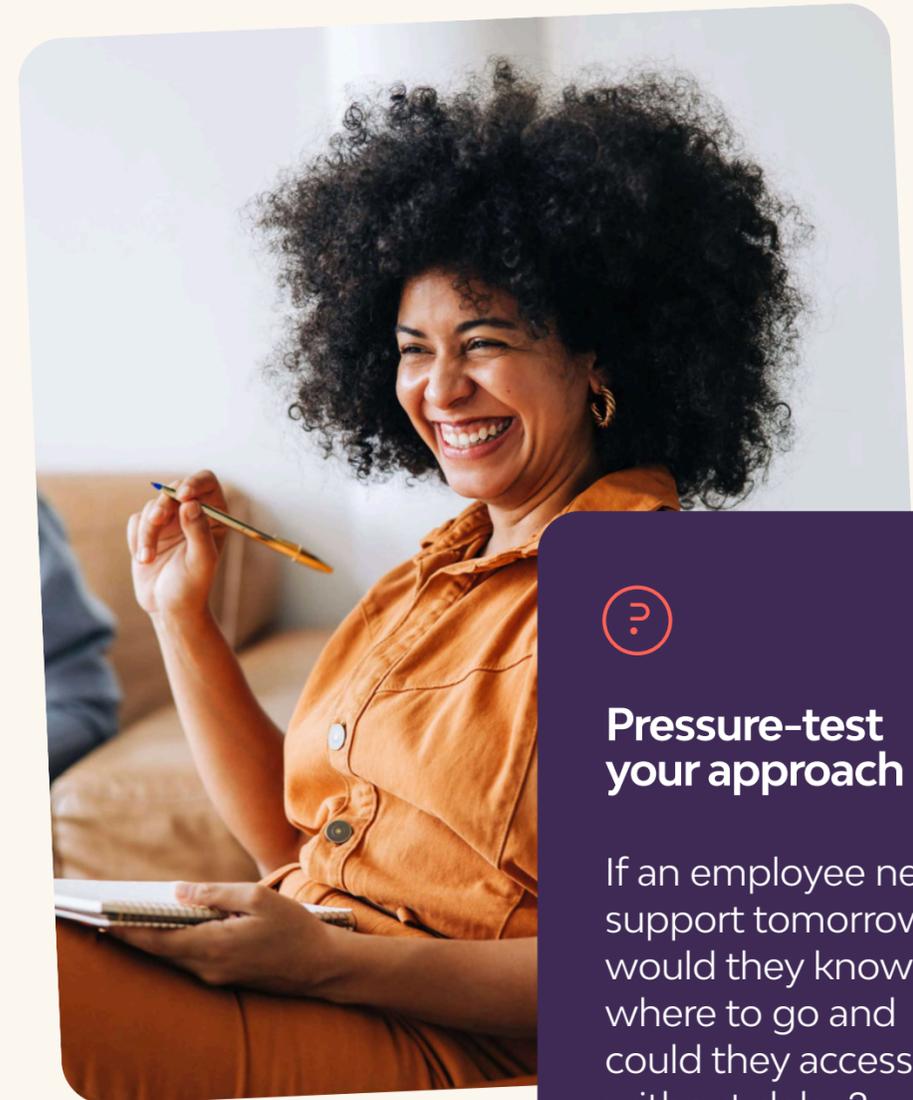
Under increased scrutiny, employers need to be able to show that appropriate support was available at the right time.



### Risk of inaction

Without clear, accessible pathways:

- Health issues progress into absence or ER cases
- Timing decisions are harder to defend
- Employers appear reactive rather than supportive



### Pressure-test your approach

If an employee needed support tomorrow, would they know exactly where to go and could they access help without delay?



## ACTION 3

# Give managers clear frameworks for consistent decisions



### What good practice looks like

Employees in similar situations are treated consistently, regardless of who their manager is, where they work or how confident an individual manager feels.

Managers are supported by clear frameworks and access to expert guidance, rather than being expected to interpret health issues alone.



### What to do in 2026

Identify where decisions currently rely too heavily on individual judgement.

In practice, this means:

- Spotting situations where managers frequently ask “what should I do here?”
- Identifying decisions made informally without clear guidance
- Reviewing cases where similar issues led to different outcomes

Pay particular attention to areas involving health, adjustments, flexibility and sensitive life events.



## ACTION 3

# Give managers clear frameworks for consistent decisions



### Why this matters

Inconsistency is one of the most difficult risks to defend if a claim arises. Where outcomes vary between teams or managers, it becomes harder to evidence that decisions were reasonable and fair.



### Risk of inaction

Without greater consistency:

- Differences in treatment become more visible
- Fairness is harder to demonstrate
- Organisational exposure increases as the workforce grows



### Pressure-test your approach

If two employees in similar situations were managed by different managers, would the outcome look broadly the same?



## ACTION 4

# Act early to prevent absence from escalating



### What good practice looks like

Health issues are picked up and supported early, before they turn into prolonged or repeated absence.

Employees are encouraged to seek help at the first signs of difficulty, and support is available without waiting for absence triggers or formal thresholds.



### What to do in 2026

Shift the focus from managing absence to preventing escalation. In practice, this means:

- Creating clear routes for employees to access support early
- Reducing reliance on rigid or punitive absence triggers
- Supporting people when patterns first emerge, not only once absence is established

The aim is to intervene before absence becomes long-term or complex.



## ACTION 4

# Act early to prevent absence from escalating



### Why this matters

Long-term absence attracts significantly greater scrutiny, cost and operational disruption than early, preventative support. Employers are increasingly expected to show that reasonable steps were taken before absence escalated.



### Risk of inaction

Without early intervention:

- Absence becomes prolonged and harder to resolve
- Costs and disruption increase
- Employer actions appear reactive or inflexible

**Work-related ill health now affects around 1.9 million workers, with stress, depression and anxiety among the top reported issues, underscoring the need for visible, early support pathways.**



### Pressure-test your approach

Are people supported at the first signs of difficulty or only once absence becomes a formal issue?

Source



## ACTION 5

# Treat menopause as a critical readiness test



### What good practice looks like

Employees can access expert menopause support early, adjustments are handled fairly, and managers are not left to navigate complex health conversations alone.

Menopause is treated as part of the organisation's core approach to health, absence and retention, not as a standalone wellbeing initiative. It typically includes:

- Early access to menopause-trained clinicians or specialists
- Support that addresses both symptoms and work impact
- Clear, consistent processes for adjustments
- Confidential support that does not rely solely on line managers



### What to do in 2026

Pressure-test whether your menopause approach works in practice. In particular:

- Check whether employees can access menopause-trained clinicians or specialists early, without waiting for absence or performance issues
- Review how reasonable adjustments linked to menopause are handled across teams
- Assess how confident managers feel and what support they have to signpost employees appropriately

The aim is to move from policy and intent to lived, consistent support.



## ACTION 5

# Treat menopause as a critical readiness test



### Why this matters

Menopause sits at the intersection of health, discrimination, absence and retention.

As scrutiny of employer decisions increases, menopause-related cases are more likely to focus on:

- Whether symptoms were recognised and supported early
- Whether support was appropriate and accessible
- Whether similar cases were treated consistently
- Whether delays or informal handling worsened outcomes



### Risk of inaction

Without credible menopause support:

- Grievance and discrimination risk increases
- Experienced employees are more likely to disengage or leave
- Employers struggle to defend decisions around absence, performance or adjustments
- Reputational damage becomes more likely



**Janet Wingfield**  
Menopause Lead, Peppy

“From a clinical perspective, early, expert support can prevent menopause symptoms from escalating into prolonged absence or disengagement from work.”



### Pressure-test your approach

If an employee raised menopause-related concerns tomorrow, would they be able to access expert support quickly and would the response be consistent across the organisation?

Read more about  
**Menopause Action Plans**

[SEE MORE](#)



In the UK, there are approximately **4 million women aged 45–60** in work, the core demographic most likely to be experiencing menopause in the workforce. Recent employment tribunal data shows claims referencing menopause have more than **tripled** over the past few years.



**67%**

say menopause negatively affects their work

Source

**Over  
2 in 5**

UK employees are uncomfortable talking to anyone at work about menopause

Source

**Over  
1 in 4**

women consider leaving their job because of menopause symptoms

Source

**Over  
half**

of women experiencing menopause have not been able to attend work due to their symptoms, with 10 per cent leaving work for good – costing businesses around £1.5 billion every year

Source



## ACTION 6

# Build a clear readiness roadmap



### What good practice looks like

Organisations have a clear plan for preparing for the Employment Rights Act and can explain it clearly, even if some work is still ongoing.



### What to do in 2026

Create a simple plan showing what needs to happen and when:

- What needs immediate action
- What can be phased in over time
- What should be reviewed as regulations and guidance develop

This doesn't need to be complex. The aim is clarity so HR, managers and leaders understand what's changing, what's in scope and what support is available.



### Claire Neal

HR and People Consultant

"The Employment Rights Act is ultimately about retention and fairness. Employers who are unprepared risk higher attrition, more internal issues and increased exposure to claims."



## ACTION 6

# Build a clear readiness roadmap



### Why this matters

The Employment Rights Act introduces ongoing change. Organisations that can show they have a considered plan are far better placed to demonstrate that decisions were reasonable and proportionate at the time.



### Risk of inaction

Without a clear plan:

- Decisions appear ad hoc or inconsistent
- Managers and employees lack confidence
- Employer risk increases as scrutiny rises



### Pressure-test your approach

If you were asked tomorrow how your organisation is preparing for the Employment Rights Act, could you explain the plan clearly and confidently?



# ERA readiness check

**If you cannot confidently say “yes” to these, your organisation may be exposed:**

- ✓ Can employees access appropriate support early?
- ✓ Are responses broadly consistent across the organisation?
- ✓ Are managers supported by clear frameworks and expert input?
- ✓ Are issues addressed before escalation?
- ✓ Can you evidence reasonable action in practice?



SECTION 5

# Where Peppy fits



## WHERE PEPPY FITS

# Turning employment law expectations into practical, day-to-day support

**The Employment Rights Act 2025 increases scrutiny on how organisations respond when health issues affect work, particularly around timing, consistency and evidence of reasonable action in practice.**

While the Act does not mandate specific health interventions, employers are increasingly expected to show that:

- Support was available early
- Employees had clear, accessible routes to help
- Managers were not left to interpret health issues alone
- Responses were consistent across the organisation

**Peppy directly supports this by providing:**

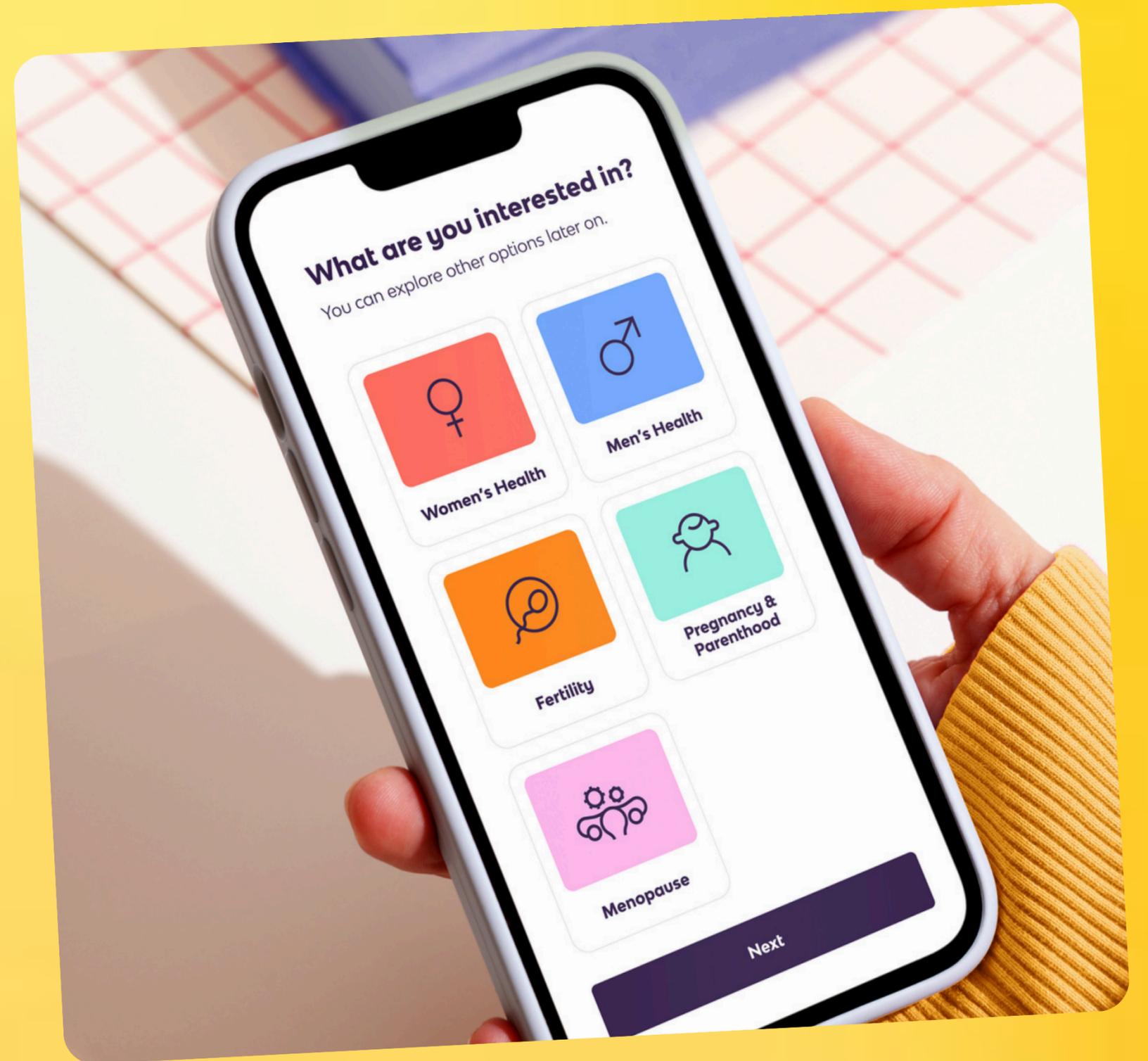
- Early intervention – Employees can access specialist clinicians at the first sign of difficulty, reducing escalation into absence, disputes or formal processes
- Consistency at scale – One clinically governed support pathway available to everyone, regardless of position, experience or location
- Expert-led guidance – Managers and HR teams can confidently signpost to Peppy, reducing reliance on individual judgement or informal handling

**Peppy does not replace HR, legal or people processes. It supports organisations by strengthening the health support infrastructure that sits alongside HR and people processes, helping employers act earlier, more consistently and with greater confidence.**



## WHAT PEPPY PROVIDES

**Peppy is an employee healthcare benefit that gives people unlimited, confidential access to specialist clinicians, delivered through a simple app.**





## WHAT PEPPY PROVIDES

Care is human-led, evidence-based and ongoing, with clinicians staying involved over time through 1:1 chat, virtual consultations, content and events.



### Life stage support

Support covers the life stages and health moments that most often intersect with absence, adjustments, performance and retention.

### Build your health plan

Get a 2-week health plan built for you and your health goals

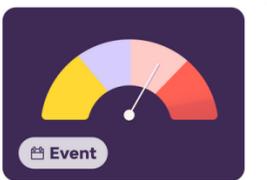
Try it out



Mental health, Neurodiversity, long-term and chronic conditions ...and so much more.



10 ways menopause can affect you at work



Blood pressure: Know your numbers

♀ WOMEN'S HEALTH

♂ MEN'S HEALTH

👶 FERTILITY

👨‍👩‍👧 PREGNANCY & PARENTHOOD

👵 MENOPAUSE



# Menopause: a clear proof point

Menopause is one of the most visible and high-risk areas where health, discrimination, absence and retention intersect.

Peppy supports menopause by providing:

- Direct access to menopause-trained clinicians
- Support that addresses symptoms and work impact
- Ongoing, proactive care rather than one-off interventions
- Confidential support that does not rely solely on line managers

This helps organisations move from policy statements to lived, defensible support in practice.

What early, expert support from Peppy delivers:

**15%**

reduction in menopause-related work impairment in 90 days

**70%**

reduction in menopause-related work impairment in 90 days

**58%**

reduction in severe symptoms within 6 months

**70**

NPS (90 post-consultation)

Your people's health is  
your organisation's future.

Talk to us about preparing  
confidently for the  
Employment Rights Act.

[Book a call](#)



[PEPPY.HEALTH](#)