

Employment Law Factsheet 2025

2025 is expected to be a turbulent year for SMEs in the UK, with financial challenges and an ever-changing employment law picture.

Here, we share the things you need to know, and the things you need to look out for this year.



April Changes

National Minimum Wage

As normal, National Minimum Wage levels will rise in April. However, this year will see huge jumps in the rates at all levels.

As of 1st April, the new amounts will be:

- 21-year-olds and over - £12.21 per hour (increase of £0.77 or 6.7%)
- 18-20-year-olds - £10.00 per hour (increase of £1.40 or 16.3%)
- Under-18s/Apprentices - £7.55 per hour (increase of £1.15 or 18%)

Employers National Insurance Contributions

In the Autumn Budget, it was announced that huge changes to Employers National Insurance Contributions (ENIC) would be coming into force in April.

The rate will rise to 15%, from 13.8%, adding huge employment costs to businesses. Alongside this rise, the secondary threshold at which ENIC becomes payable will be reduced from £9,100 to £5,000.

There is some relief for smaller employers, though, as the employment allowance will be extended from £5,000 to £10,500.

Neonatal Care (Leave and Pay) Act 2023

Another change, which may not be as well-publicised but will be hugely important to those affected, is the enactment of the Neonatal Care Act.

This law will allow new parents, whose baby requires medical or palliative care within the first 28 days of birth, to have additional statutory leave once their standard leave finishes.

It will be a day one right, but to be eligible for pay recipients must have 26 weeks' continuous service and earn at least £123 per week.

www.hrdept.co.uk



Contact us to arrange your FREE consultation

Preventing People Problems

The Employment Rights Bill

There is also the (not so) small case of the Employment Rights Bill (ERB) making it's way through parliament.

The ERB will bring about the biggest raft of employment law changes in decades, having a particularly huge impact on small and medium sized business. There are 28 separate reforms initiated in the Bill.

Now, not much of this is expected to come into force in 2025 - the changes are likely to be implemented in 2026 - however this doesn't mean there's nothing to do.

As consultations and the amendments to the Bill happen, we are likely to get a clearer idea of exactly what will be implemented, and therefore what you should be doing to prepare.

Some of the key changes, that will like have an impact on you, include:

- Repealing trade union laws, giving them more power in the workplace
- A ban on 'exploitative' zero-hour contracts
- Day one rights for unfair dismissal
- Changes to sick pay, including making it available from day one
- Increased parental and bereavement rights
- Flexible working to become the default
- The Fair Work Agency will be established as an enforcement body

Some will likely have a larger impact on your business than others, but it is important to stay across them.

Visit www.hrdept.co.uk/employmentrightsbill to keep up to date with the latest news.

The HR Dept provides employers with everything they need to manage these changes. Our national network of local experts provides a local and personal approach to all things HR and Employment Law.

Our flexible, tailored support allows us to understand your business and understand you. Whether you need ah-hoc assistance or day-to-day support, we have a range of services available to suit your needs and secure your business.

Find your local office today for a FREE, no obligation consultation.

www.hrdept.co.uk



Contact us to arrange your FREE consultation

Preventing People Problems