

What is coming in April 2026?

The Employment Rights Act (ERA) will introduce changes in:

- Statutory Sick Pay (SSP)
- Paternity Leave and Unpaid Leave
- Bereaved Partner Leave
- Whistleblowing Protections
- Umbrella Tax Regulation (Joint Severable Liability)
- Collective Redundancy (Protective Award)
- It Act will also see the launch of the Fair Work Agency (FWA)

Question	Answer
What is coming in April 2026	<p>The Employment Rights Act (ERA) will introduce changes in</p> <ul style="list-style-type: none"> Statutory Sick Pay (SSP) Paternity Leave and Unpaid Leave Bereaved Partner Leave Whistleblowing Protections Umbrella Tax Regulation (Joint Severable Liability) Collective Redundancy (Protective Award) <p>It Act will also see the launch of the Fair Work Agency (FWA)</p>
What is the Employment Rights Act	<p>The Employment Rights Act is a piece of UK legislation designed to modernize and update the employment rights framework, aiming to support workers, employers, and unions.</p>
Who does the Employment Rights Act apply to	<p>All Employees which includes</p> <ul style="list-style-type: none"> Internal employees/staff Temporary Agency Workers
What is the new Statutory Sick Pay (SSP) entitlement	<p>Statutory Sick Pay will be payable from day one of sickness and will be calculated at 80% of normal weekly earnings or £123.25 (whichever is lower)</p>
Will Statutory Paternity Pay (SPP) also become a day 1 right	<p>No. Paternity leave will become a right from day one of employment but there is no Statutory Paternity Pay entitlement from day 1</p>
What is bereaved partner leave	<p>Bereaved Partner's Paternity Leave will support employees who lose the mother or primary adopter of their child within the first year of their child's life or adoption. This is a day one right, meaning employees are eligible from their first day of employment.</p>
Is there any statutory payment when on Bereaved Partner Leave	<p>No. There is currently no statutory payments for Bereaved Partner Leave</p>
What are the changes around Whistleblowing	<p>Protections for employees who 'blow the whistle' on Sexual Harassment. This will become a category in its own right for protection removing the need for them to be protected by another category</p>

<p>What is Joint and Severable Liability (JSL)</p>	<p>From 6 April 2026, amendments to ITEPA 2003 (new Section 11) will introduce Joint and Several Liability for unpaid employment taxes within umbrella company supply chains. The legislation is designed to address non-compliance and tax fraud in the umbrella market by extending accountability across the labour supply chain, including:</p> <ul style="list-style-type: none"> • Umbrella companies • Recruitment agencies and MSPs • In certain circumstances, end clients <p>Under JSL, the topmost agency or intermediary in the supply chain may be held jointly liable for unpaid PAYE and National Insurance where non-compliance occurs.</p>
<p>What is the Fair Work Agency</p>	<p>FWA bring together existing state enforcement functions and, over time, take on enforcement of a wider range of employment rights. This will be a single place where workers and employers can turn for help. It will improve efficiency by ensuring there is one leadership team to oversee work in line with a unified strategy. The FWA will aim to resolve issues upstream by supporting employers that want to comply with the law. But it will also have strong powers to investigate and take action against businesses that flout the law, to level the playing field for compliant businesses.</p>
<p>What enforcement bodies will form the Fair Work Agency</p>	<p>HMRC's National Minimum Wage enforcement team The Employment Agency Standards Inspectorate The Gangmasters and Labour Abuse Authority</p>
<p>What enforcement powers does the Fair Work Agency have</p>	<p>Investigate on its own initiative or on a worker complaint Issue enforcement notices Pursue civil proceedings Name and shame employers publicly Bring Employment Tribunals claims against employers on workers behalf</p>
<p>How long does a worker have to bring an Employment tribunal against an employer</p>	<p>The time in which an individual can bring a claim against an employer to an employment tribunal is currently 90 days (due to increase 180 in October)</p>
<p>What policy updates should you be making</p>	<p>In readiness for the changes taking place in April 2026 you should be updating your Parental Leave Policy Paternity Policy Shared Parental Leave Policy Absence Policy/Sick Leave Policy Whistleblowing Policy</p>

<p>What will be the key impact of the Umbrella Reforms</p>	<ul style="list-style-type: none"> - Potential joint and several liability risks where non-compliant umbrella arrangements are used within the supply chain. - Increased due diligence and governance over umbrella companies and the wider labour supply chain. - Greater responsibility placed on recruitment businesses and end clients to ensure compliant supply chain. - Increased transparency requirements around pay, deductions and employment rights for workers.
<p>Will you see any changes in supply models in light of umbrella reforms</p>	<ul style="list-style-type: none"> - Greater preference for working only with audited accredited umbrella providers. - Possible reduction in the number of umbrella companies used within supply chains.
<p>What compliance monitoring should you put in place</p>	<ul style="list-style-type: none"> - Monitor developments from HM Revenue & Customs and enforcement activity to ensure policies remain aligned with current requirements. - Implement regular supply chain audits to confirm compliance with tax, employment and regulatory obligations. - Maintain clear contractual terms requiring compliance with legislation and regulatory guidance. - Set up a Supplier Risk-Rating for your umbrella companies by risk (high, medium, low) and apply oversight accordingly. - Request due diligence packs from your umbrella companies: RTI evidence, HMRC registration, PAYE history, payslips, payroll run reconciliations. - Immediate investigation with tight timeframes for rectification if an umbrella company fails to pay a worker.
<p>What did you think will be the longer term impact of the legislation changes on the umbrella sector?</p>	<p>The JSL legislation changes are driving further compliance in the contracting sector, specifically to umbrella services where candidates are, or should be, employed via PAYE umbrella service. This will drive out a large proportion of tax avoidance schemes as the relevant parties in the supply chain aim to reduce their JSL PAYE tax risk by implementing tight, audited and compliant approved umbrella supplier lists. In order to minimise risk, businesses are reviewing their umbrella supply chains and assessing both compliance and financial stability. So as well as driving out non-compliant solutions, JSL will also consolidate the umbrella sector as businesses are looking to work with larger umbrella providers who have strong financial stability and sustainability at their core.</p>

<p>Do you have any other advice for our clients on the JSL legislation?</p>	<p>There is a section in the new JSL legislation called 'material interest'. In essence, if a recruitment agency or vendor owns (or a mutual shareholder has a 5% share or more in an umbrella company), then for any contractors engaged by that umbrella provider, the PAYE liability actually shifts to the End Client and ultimately puts your business at risk. So it's really important to understand if you have any of this in your supply chain and stipulate that the umbrella providers cannot be linked to the recruiters.</p>
<p>What is coming in October 2026</p>	<p>The Employment Rights Act (ERA) will introduce changes in Trade Unions Harassment Employment Tribunals</p>
<p>What is coming in 2027</p>	<p>The Employment Rights Act (ERA) will introduce changes in Collective Redundancy (Consultation Threshold) Unfair Dismissal Fire and Rehire</p>
<p>Resources</p>	<p>.Gov Links/Fact Sheets - https://www.gov.uk/government/publications/employment-rights-bill-factsheets</p> <p>Resources from Auxo Group Event (Squire Patton Blogs) https://www.squirepattonboggs.com/our-expertise/services/workforce-employment-solutions/labor-employment/employment-rights-act-support-resources/ https://www.squirepattonboggs.com/media/3wgjh1q4/the-employment-rights-act-2025-key-changes-at-a-glance.pdf https://www.squirepattonboggs.com/media/sn1pi5ed/the-employment-rights-act-2025-implementation-roadmap.pdf https://www.squirepattonboggs.com/media/guuiuil/the-employment-rights-act-2025-checklist-for-april-2026.pdf</p>