

A woman with long brown hair, wearing a light-colored button-down shirt, is sitting at a wooden desk. She is smiling and looking down at a laptop. There are several potted plants in the background, including a large green one and a smaller one with white flowers. The scene is dimly lit, with the primary light source coming from the laptop screen.

NEW DEAL FOR WORKING PEOPLE: HOW TO EFFECTIVELY MANAGE FAMILY FRIENDLY LEAVE

1. INTRODUCTION

The Employment Rights Bill (ERB) is set to bring further developments in family friendly leave, including managing flexible working requests.

In this month's Hot Topic, we look at what family leave entitlements are likely to look like from 2026 onwards, and how businesses must prepare for these developments.





2. UNDERSTANDING WHAT IS CHANGING??

The proposed employment reforms in the Employment Rights Bill are set to significantly change how businesses employ people; with almost 30 different reforms, there are 5 that will impact family leave entitlements:

Parental leave

Current entitlement: An employee or agency worker has the right to take unpaid parental leave if they have been in continuous employment for one year and they have or expects to have parental responsibility for a child under the age of 18 years.

The entitlement is for a total of 18 weeks for each child, with a maximum of four weeks' leave taken, per child, in each year.

How it is changing: The ERB is set to make parental leave a day 1 right for all employees.

Paternity leave

Current entitlement: An employee who has a minimum 26 weeks' continuous service at the 15th week before the expected week of childbirth/at the 'matching week' when adopting, is entitled to two weeks leave paid at the same rate as the lower rate of statutory maternity pay.

When it is taken as well as shared parental leave, then it can only be taken before the period of shared parental leave.

How it is changing: The ERB will remove the qualifying service by making it a day 1 entitlement for all employees, and employees will be able to take the leave both before and after a period of shared parental leave.

Bereavement Leave

Current entitlement: In the deeply tragic event that an employee suffers the loss of their child who is under the age of 18 or suffers a stillbirth from 24 weeks of pregnancy is entitled to a statutory right of 2 weeks' parental bereavement leave. This entitlement to leave is a day 1 right, although to be eligible for statutory parental bereavement leave pay, the employee must have at least 26 weeks continuous service at the end of the week before the week in which the death occurs and must also have earnings at or above the lower earnings limit (LEL).

How it is changing: The ERB will extend this legislation so that all employees will have a statutory entitlement to bereavement leave when a relation dies (a definition of relationship will be defined within Regulations). However, other than in the case of a child, still birth, the bereavement leave will be unpaid.

Flexible working

Current entitlement: At present, the law relating to the refusal of a flexible working requests is very specific because it must meet one of the eight statutory reasons as set out in the legislation.

How it is changing: An additional new legal duty will be introduced. Not only will the refusal be required to meet one of the statutory decline reasons, but the employer will only be able to reuse a flexible working request if it is reasonable to do so. The refusal must state the statutory ground and explain why it is reasonable to refuse the request on that ground (grounds, where there is more than one).

What is meant by being 'reasonable' in your decision to decline?

At the moment, we do not have the detail as to what 'reasonable' could entail, and it is possible that will only get guidance and not a definitive check list. This is because what may be reasonable to one employer, may not be to another.

In other areas of employment law, when we operate the 'reasonableness' test, which can be challenging, it often requires employers to consider previous case rulings to understand what reasonable could look like, or there may be Codes of Practices and other Government guidance that provides best practice. However, ultimately it will be for the tribunal to decide based on the facts of the particular case when considered as a whole.

Dismissals

Current protection: Employees who are pregnant or on family leave (adoption, maternity, neonatal, or shared parental leave) receive priority for redeployment opportunities if their role is made redundant. This special rule offers greater legal protection meaning that to dismiss them due to redundancy during these periods without offering suitable alternative employment is considered automatically unfair dismissal.

How it is changing: The ERB will extend this legal protection that is given to those who are pregnant, or on family leave so that it covers other dismissals that take place during pregnancy, family leave or following a return to work. Further Regulations need to be drafted, along with guidance for employers to understand more about what these extended protections are. What we do know from the [current version of the ERB](#), and following a period in which amendments have been agreed, is that when regulations are drafted, they could include rules in these areas:

- setting out what notices are to be given, evidence to be produced and other procedures that are to be followed by both the employee and employer
- determining what consequences there will be where there has been a failure to give notices, produce evidence or comply with other procedural requirements
- setting rules that adjust the rules for calculating a week's pay for employees who are absent, or have been absent from work during, or after, a protected period of pregnancy.

A notable absence from the ERB was a new right to disconnect. We understand that this could still be introduced but it would form the basis of a new Statutory Code of Practice, which will be subject to a public consultation. This would be following what Ireland have already introduced.

3. IMPLICATIONS FOR EMPLOYERS

So how will these reforms impact employers? We've considered each of these family leave related reforms and share our thoughts below:

Area of reform	Possible implications
Bereavement leave	<ul style="list-style-type: none">• Even though most companies offer some form of compassionate leave, this reform will set a legal obligation with a set number of days leave, which may exceed what time off is already offered.
Dismissals	<ul style="list-style-type: none">• Employees who are pregnant and those on family leave will have greater job security• Higher risk of facing tribunal claims for unfair dismissal or discrimination claims if a dismissal occurs during the protected period• A full review of employment practices and policies will be required to ensure they remain robust, particularly in areas of performance and ill health capability, disciplinary and grievance.
Flexible working	<ul style="list-style-type: none">• Employers would need to provide more comprehensive and well-reasoned justifications for refusing flexible working requests• Line manager training on how to handle flexible working requests in line with their legal obligations• A review of the organisation's current policy and working practices will be required to ensure it aligns with the enhanced duties for reasonableness• Potential for an increase in tribunal claims for decisions that may be perceived as unreasonable.
Parental leave	<ul style="list-style-type: none">• This is likely to increase number of requests received as more people will be in scope.• Impact is unlikely to be significant as this type of leave is unpaid and employees prefer to take other forms of leave instead, such as holiday.• HR and payroll systems will need to accommodate this change.
Paternity leave	<ul style="list-style-type: none">• With more people in scope, greater absenteeism for this type of absence• HR and payroll systems will need to accommodate these changes.



4. TIMESCALES FOR CHANGE

As it stands, the [Employment Rights Bill](#) is currently in the House of Lords at the Report Stage, and once complete will be passed for its 3rd reading, before being passed to the House of Commons for consideration of the Lord's amendments and then given to the King for being given Royal Assent (i.e. to be passed as an Act of Law).


Whilst there is potentially time before the summer recess for it to be passed, it is more likely to be in September when parliament returns. However, this week, on 1 July 2025, the Government published '[Implementing the Employment Rights Bill – our roadmap for delivering change](#)'. In it, it sets out how the Government is intending to prepare businesses for change and the approach that is going to take to ensure it is implemented effectively and gradually. Below is a summary of the timescales for reforms relating to those set out in this Hot Topic.

- In Autumn 2025, the Government will open a public consultation on the new measures regarding bereavement leave and rights for pregnant workers
- Winter 2025/early 2026, the Government will open a public consultation on flexible working
- Day 1 paternity leave and unpaid parental leave will come into effect in April 2026
- Rights for pregnant workers, bereavement leave and flexible working reforms will take effect in 2027.

5. HOW TO PREPARE

Our top ten tips to prepare the business for these reforms are:

1. Stay informed and understand the reforms as it is going to be essential that employers become actively engaged in the developments of the Bill to ensure the business can be prepared. Read our monthly newsletters and sign up to our webinar events.
2. Assess the impact of each of the reforms as it will be vital to establish the extent each of the reforms will impact the business and will help in the development of strategies to mitigate any potential negative impacts they may have on the business and your workforce, as well as identifying opportunities.
3. Scenario planning and financial forecasting is also vital for preparing for the changes as many of them will have direct budget implications.
4. Developing a strategic HR plan will be essential for prioritising actions and ensuring compliance to the new laws. The reforms will also impact on how you manage your people so in addition to planning to become legally compliant, it may be strategic actions will also be based around employee engagement, candidate attraction and employee retention. Ensuring this is then aligned with the overall business plan.
5. Conduct a comprehensive audit of your existing HR policies, procedures and employment documentation and update ready for the law coming into force to identify areas that require updating or creating to comply with the new legislation. This is an essential action on any strategic HR plan and must include key documents such as your contract of employment template, employee handbook and current policies and procedures.
6. Review business relations with the Trade Union where they exist to understand how this may change moving forward
7. Engage and consult with your workforce which not only includes collaborating with key stakeholders, such as the Leadership team and Trade Unions, but also your employees. Discuss the upcoming changes and gather feedback, as this can help identify potential issues and ensure a smooth transition
8. Essential training to HR, Payroll and Line Managers is crucial so that all key stakeholders know and understand changes in policy and working practices for ensuring legal compliance. These teams will be essential for delivering legal compliance.
9. Update Payroll Systems to accommodate changes to statutory entitlements and pay related aspects of the reforms.
10. Seek specialist HR advice is going to be important, especially with some of the reforms covering complex areas of the law. Early and ongoing advice can help to ensure you are taking the right approach for your business and will be ready to comply with the law when it comes into force.



NEED EXPERT HR ADVICE? GET 30 MINUTES FREE!

Navigating the upcoming family leave reforms set out in the Employment Rights Bill can be complex—but we're here to help. Book your FREE 30-minute HR advice session to understand how the changes may affect your business and what you need to do to prepare.

Contact us today to schedule your free consultation

<https://www.hrsolutions-uk.com/free-hr-advice/>

