CENTRIC HR NEWSLETTER & WEBINAR



Important information for PSUK Members

1 September 2026

Employment Rights Act 2025

Welcome to this special edition of the Centric HR newsletter. This month, we want to highlight an important change that effectively came into play from **01/07/2026**, as a part of the Governments Employment Rights Bill 2025.
So grab yourself a drink and please take a look at the information enclosed and watch the short webinar attached below, as we believe it will be important moving forward.
All employers need to rethink the procedures they follow and actions taken following any recruitment and new job offers.



Unfair Dismissal & Probation Management

The Employment Rights Act 2025 introduces a fundamental shift in unfair dismissal law, with the most significant change being the reduction of the qualifying period from two years to six months' service, expected to take effect from 1 January 2027.

This means that employees will acquire protection against ordinary unfair dismissal much earlier in their employment lifecycle, materially increasing risk exposure for employers.

Transitional Position and Key Dates

Under the proposed implementation approach:

- Employees who have **six months' service by 1 January 2027** will immediately gain unfair dismissal protection from that date.
- In practical terms, this means that employees engaged on or before **1 July 2026** will reach six months' service by 1 January 2027 and therefore obtain these rights at that point.
- Employees hired after this date will gain protection once they individually reach six months' continuous service.

This creates a significantly compressed window in which employers can assess suitability without ordinary unfair dismissal risk.



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Clarification on “Day One” Rights

While early proposals suggested a day one right to claim unfair dismissal, the final legislation does **not** introduce full day one protection.
Instead, the government has adopted a **six-month qualifying threshold** as a compromise.
However, it is critical to emphasise that:
Discrimination protection remains a day one right, as do protections relating to automatically unfair dismissal (e.g. whistleblowing, pregnancy).
This means that risk is still present from the outset of employment, even within probation.



Implications for Probationary Periods

The Act does not formally regulate probationary periods, but it fundamentally changes their importance.

In practice, probation now becomes the primary mechanism for managing suitability and mitigating unfair dismissal risk.

Recommended Approach (Best Practice)

We recommend moving away from traditional six-month probation periods and instead adopting a shorter, structured model, typically:

- **Initial probation period: 3 months**
- **With the option to extend by 1–2 months (up to 4–5 months total)**

This approach allows sufficient time to assess performance while ensuring that decisions are made before the six-month qualifying threshold is reached.
Where performance is clearly unsatisfactory and unlikely to improve, employers may consider termination before the six-month point to avoid unfair dismissal exposure (subject always to non-discriminatory reasons and basic fairness).



Managing Performance and Process Expectations

Given the shorter timeframe, employers must adopt a much more structured, documented and supportive onboarding process.

Key Requirements

From a risk management perspective, employers must now:

- Demonstrate a fair and reasonable process much earlier
- Ensure clear documentation of all meetings and decisions
- Take a proactive, rather than reactive, approach to performance management

Poorly managed or informal probation processes will significantly increase tribunal risk under the new regime.

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Recommended Probation Framework

To ensure robustness and defensibility, we recommend the following structure:

Week 1 – Expectation Setting

A formal meeting should be held within the first week of employment to:

- Clearly outline performance expectations
- Define what "successful completion of probation" looks like
- Explain review timelines and support available

Ongoing Reviews

Structured review meetings should take place at:

- **Month 1**
- **Month 2**

At each stage, any concerns must be:

- **Clearly communicated**
- **Supported by evidence**
- **Accompanied by guidance and support**

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Final Review (Pre-End of Probation)

A formal review should take place in the last week of probation, (allow for wriggle room if you or the employee cannot make the date), to determine whether the employee:

- **Passes probation**
- **Requires extension**
- **Is unlikely to meet required standards**



Extending Probation

Where extension is necessary, employers must ensure:

- **A clear rationale** for the extension is provided
- Specific performance gaps are identified
- A structured **improvement plan** is implemented, including:
  - Defined objectives
  - Measurable outcomes
  - Clear deadlines
  - Documented support (e.g. training, on-the-job training, supervision, mentoring)

This may include:

- Additional training
- Increased supervision
- One-to-one support arrangements

Further review meetings must then take place within the extension period to assess progress against these requirements.

Decision-Making and Exit Strategy

If performance does not improve to the required standard:

- A decision should be made at the 5 month point where possible
- Notice can be issued in line with contractual terms and does not extend beyond the **6 months' service**

This helps reduce exposure to ordinary unfair dismissal claims, but it is important to recognise that:

- **Process fairness still matters**, even for short-service employees
- Tribunals will increasingly scrutinise early-stage decision-making

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Appeal and Safeguards

To strengthen procedural fairness and reduce litigation risk, we recommend that employers:

- Provide a **right of appeal or review**, even in probation cases

While this may appear onerous, it offers a critical safeguard:

- Allows correction of procedural errors
- Mitigates risk where line managers have:
  - Failed to document concerns
  - Provided insufficient support
  - Applied inconsistent standards



An effective appeal process can materially improve tribunal defensibility.



Key Risk Message

Employers can no longer rely on a prolonged "low-risk" period of employment. The first six months now represent the **primary decision-making window**, requiring:

- **Early intervention**
- **Clear expectations**
- **Robust documentation**

Are your Employment Contracts Up to Date?

Employment contracts are one of the most important documents within any business. They set out the terms and conditions of employment, establish expectations for both employers and employees, and help protect your organisation should workplace issues arise. However, as UK employment law continues to evolve, contracts that were compliant just a few years ago may now need reviewing.



Why Should Employers Review Contracts?

Keeping employment contracts up to date is essential for ensuring legal compliance and reducing the risk of disputes. Changes to employment legislation, case law and workplace practices mean that outdated contracts can leave businesses exposed to unnecessary risks.

A regular contract review helps to ensure your documentation accurately reflects:

- **Current UK employment legislation**
- **Flexible and hybrid working arrangements**
- **Working hours and overtime provisions**
- **Holiday entitlement and statutory leave**
- **Confidentiality and data protection obligations**
- **Restrictive covenants where appropriate**
- **Disciplinary and grievance procedures**
- **Company policies and employee benefits**



Well-written employment contracts provide clarity for employees while giving employers confidence that their business is protected.

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The Risks of Outdated Employment Contracts
Failing to update employment contracts can lead to misunderstandings, employee relations issues, and increased legal risk. In some cases, unclear or outdated contractual terms may be difficult to enforce if a dispute reaches an Employment Tribunal.

Expert Employment Contract Reviews from Centric HR
Whether you're recruiting your first employee or managing an established workforce, having professionally drafted employment contracts is a vital part of effective HR management.
Centric HR supports businesses across the UK by reviewing, updating and drafting employment contracts that are tailored to your organisation and aligned with current UK employment legislation. Our experienced CIPD Level 7 HR professionals take the time to understand your business, helping you create contracts that are practical, compliant and easy to understand.
Rather than relying on outdated templates or generic online documents, working with Centric HR gives you confidence that your employment contracts reflect the latest legal requirements and support best practice in people management.

Need to Review Your Employment Contracts?
If your employment contracts haven't been reviewed in recent years or your business has experienced changes in working practices or staffing, now is the ideal time to update them.
Contact Centric HR today to arrange a professional employment contract review and ensure your business remains compliant, protected, and prepared for the future.
Numark members automatically attract a discounted rate. Just quote your membership number if you get in touch.

Contact Us

WEBINAR

Email enquiries@centrichr.co.uk if you'd like us to send you a link to our free webinar - approx 15 mins.





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