

No. 266/25

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To: All Branches

Dear Colleagues,

UPDATE ON EMPLOYMENT RIGHTS BILL

Branches will be aware of the recent media reports that the government has amended the Employment Rights Bill so that protection from unfair dismissal will commence from six months of employment, rather than the first day of employment.

The purpose of this LTB is to inform branches of the circumstances surrounding this decision and the discussions between trade unions, business and the government on this matter.

As branches may be aware, the Employment Rights Bill has been moving between the House of Lords and the House of Commons, in a process that is known as 'ping pong'. This is due to Labour having a significant majority in the Commons but other political parties constituting a majority in the Lords. Liberal Democrat, Conservative and crossbench peers have been putting amendments to the Employment Rights Bill that would significantly alter or weaken the Bill, which have passed through the Lords before returning the Bill to the Commons, which has rejected those amendments.

To avoid the issue of 'double insistence' (a Parliamentary process whereby the same amendments are passed and rejected multiple times through both Houses, causing the Bill to automatically fall), the Government made very minor amendments to the Bill but this did not move the position of the Lords. Additionally, many peers are ignoring the standard protocol that usually means the Lords do not oppose legislation that was in the governing party's manifesto, perhaps due to their indignation over Labour's plans to reform the unelected chamber.

The government and trade unions want to ensure the Bill is passed before Christmas recess, so that the implementation of key parts of the Bill are not significantly delayed. In particular, if the Bill was debated into the early new year, it would delay new regulations, including regarding Statutory Sick Pay, being applied for a further six months and likely displace other aspects of the Bill that were due to take place in Spring 2026.

The government was not able to move the Lords on this position so an impasse became apparent. It was communicated that the issue of introducing protection against unfair dismissal on day one of employment was the cornerstone of their objection.

The government then invited trade union general secretaries and the TUC to discuss the policy and how the Bill could be quickly moved through Parliament. They also spoke to business representatives concurrently. As part of this process, the Government presented two options; a nine-month statutory probationary period where workers, according to the letter of the law, would have protection from unfair dismissal from day one but employers would have to meet a lower threshold to prove that the dismissal was fair **or** moving the commitment from protection at day one of employment to six months of employment.

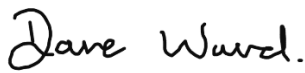
After several rounds of discussion, which the CWU were involved in, it became clear that the nine-month probationary period proposal was unworkable and would essentially act as protection from unfair dismissal at nine months, compared to six. There were also concerns at this proposal potentially unpicking the actual process required to demonstrate a dismissal has been fair. Subsequently, the overwhelming majority of trade unions agreed that protection from unfair dismissal at six months of employment was the best option to move forward. Trade unions were also able to secure a lifting of the cap on compensation for unfair dismissal. However, all unions were disappointed to see that the news was leaked before the announcement was formally made.

With this compromise, the government is now firmly of the view that business representatives have assured their allies in the Lords that their opposition to other elements of the Bill should be dropped. We wanted to inform branches of the context behind this decision and reiterate our commitment to the Bill being passed and implemented in a meaningful and effective way. TULO General Secretaries have met with the Secretary of State for Business and Trade and will continue to seek assurances that the Bill will be protected in its next stages of implementation.

Once the Bill has received Royal Assent, we will be making every representation possible to ensure the secondary legislation creates a robust framework for implementing these new workplace rights in a timely and effective manner. We need to be clear that the overwhelming majority of unions are assured that the Employment Rights Bill still represents the greatest shift in favour of working people in decades and this must be protected throughout the entire implementation process. The CWU is also committed to developing a strategy, alongside TULO and the TUC, to combat any weakening in the secondary legislation and use this legislation as a platform to expand collective rights further across different sectors of the economy.

We will keep branches informed of any updates related to this legislation. If you have any questions, please contact the General Secretary's office at politics@cwu.org.

Yours sincerely



Dave Ward
General Secretary