



# Understanding the Employment Rights Bill: Implications for Employers

The Employment Rights Bill, described as ‘the biggest upgrade in employment rights for a generation’<sup>(1)</sup> was introduced by the new Labour government in October 2024. Although consultations on these reforms are scheduled for 2025, and many changes may not take effect until 2026 – these developments will drastically change how businesses handle employment matters.

## What does the Bill address?

The Employment Rights Bill introduces 28 reforms to employment law, including immediate protection from unfair dismissal for employees from their first day of work – removing the current 2-year qualifying period. The Bill also extends the time limit for submitting all types of employment tribunal claims from three months to six months and introduces other important protections for workers such as tightening of ‘fire and rehire’ rules and ending zero-hour contracts.

For more information, please refer to the [summary of the Employment Rights Bill](#) provided by our exclusive legal partner, rradar.

## Navigating New Employment Legislation: Understanding Risks and Protections for Employers

The introduction of new legislation is expected to be well received, especially considering the lack of significant changes in employment law in the last decade. However, these changes also bring new risks for employers and, by extension, our customers.

During the 2023/2024 reporting period, employment tribunal claims increased by 13%, a trend likely to continue with the new rights under the Employment Rights Bill.



**97,000**

The total number of employment tribunal claims filed in the 2023/2024 period.



**£179,124**

The highest award for an unfair dismissal claim during the 2023/2024 period (typically, statutory caps apply, but exceptions exist for cases involving whistleblowing or health and safety-related dismissals).



**£53,403**

The average award for claims of sex discrimination in the 2023/2024 period.

Most employment disputes are resolved without going to tribunal, and therefore are not included in this data set.  
Source: Employment tribunal award statistics published - 2023/2024



## Running a business involves various employment-related risks, including:

- **Discrimination and Harassment Claims:** Allegations of unfair treatment based on protected characteristics.
- **Wrongful Termination Allegations:** Claims of unfair dismissal or retaliation.
- **Employment Contract Disputes:** Legal challenges regarding breaches of contracts or agreements.
- **Regulatory Compliance:** Risks from failing to adhere to employment laws and safety regulations.
- **Whistleblower Allegations:** Complaints regarding corporate misconduct or unethical behaviour.
- **Employee Misconduct:** Liabilities arising from employee theft or dishonesty.

These risks can result in expensive litigation, regulatory investigations, and damage to our customer's reputation, highlighting the importance of strong management liability protection and effective employment practices.

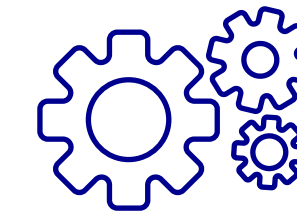
## Insights on Employment Practices Liability

Customers holding an AXA Management Liability Portfolio (MLP) policy that includes Employment Practices Liability (EPL) may be protected against various employment-related risks, as detailed opposite.

EPL is not a standalone policy; it's part of a complete 'prevent and protect' package that also encompasses Directors and Officers Liability and Corporate Legal Liability.



Directors & Officers Liability



Employment Practices Liability



Corporate Legal Liability

## We're here to help

For more information about Employment Practices Liability (EPL) and the benefits provided by our exclusive legal partner, rradar, please review the **accompanying document**.

To learn more about AXA's Management Liability Portfolio (MLP) policy, visit the [AXA website](#) or reach out to your AXA Representative or Claims Relationship Manager.

1. [Plan to Make Work Pay and Employment Rights Bill – Hansard – UK Parliament](#)
2. [The annual employment tribunal award statistics have been published for 2023/2024 | MFMac](#)

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