



Department for  
Business, Innovation,  
Science and Trade

Kate Dearden MP  
Minister of State for the Future of Work  
Department for Business, Innovation,  
Science and Trade  
Old Admiralty Building  
Admiralty Place  
Whitehall  
London  
SW1A 2DY

T: +44 (0) 020 4551 0011

E: [Dearden.Correspondence@businessandtrade.gov.uk](mailto:Dearden.Correspondence@businessandtrade.gov.uk)

W: [www.gov.uk](http://www.gov.uk)

The Rt Hon Liam Byrne MP  
Chair, Business, Innovation, Science and Trade Committee  
House of Commons  
London  
SW1A 0AA

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### **Make Work Pay: Implementation Update**

Dear Liam,

Employment laws have not kept pace with modern working patterns. Too many workers lack the protections they need at work, while responsible businesses face unfair competition from those willing to exploit gaps in outdated employment laws. Our Plan to Make Work Pay is modernising employment rights to respond to a changing labour market and create a fairer, more secure economy for workers and businesses. The Employment Rights Act 2025 is extending employment protections already offered by many of Britain's best employers to millions more workers, helping to raise living standards and support fair competition between businesses.

Many of these reforms are already making a real difference for workers, including the 1.3 million more workers now eligible for Statutory Sick Pay, who previously earned too little to qualify, and the 32,000 fathers and partners who are now entitled to paternity leave from day one in a new job.

In August, electronic and workplace balloting for statutory trade union ballots came into effect. This allows statutory trade union ballots to be conducted electronically and in the workplace, rather than relying solely on postal voting.

Today, the UK Government is outlining further progress in the implementation of the Employment Rights Act 2025, as part of the Plan to Make Work Pay, updating Parliament on the publication of Government responses to consultations on Bereavement Leave, Flexible Working, and the Employer Duty to Inform Workers of their Right to Join a Trade Union. Also provided is an overview of the recently launched Employment Status and Whistleblowing Consultations, and the Tipping consultation that was launched during Parliamentary recess. Further detail on each is provided in this statement.

### **Consultation 1: Employment Status**

As part of the Plan to Make Work Pay, the Government is committed to ensuring that working people can access the rights and protections to which they are entitled, while supporting a fair, flexible and dynamic labour market.

However, the current employment status framework can be difficult to navigate, requiring individuals and businesses to understand complex legislation and case law. This uncertainty can give rise to bogus self-employment, with evidence suggesting that up to 900,000 people may be denied access to core workplace protections despite working in highly controlled working arrangements, while allowing some businesses to gain an unfair competitive advantage by failing to meet their legal obligations.

The government believes that the current framework is not fit for purpose and there is a strong case for reform. As working practices and business models evolve, the framework must adapt to support our ambition to improve job security, raise living standards and tackle exploitative working practices.

Further to the government's response to the Committee's Seventh Report, *Small Business Strategy: Supporting SMEs to Grow and Prosper*, I am pleased to inform the Committee that the employment status consultation was published on 13 October. The consultation delivers on the government's commitment to consult on reform of the employment status framework to provide greater certainty and fairness for workers and businesses.

The government has been clear about its ambition to reform the employment status framework to provide greater certainty and fairness for workers and businesses. On [X] October, we published a consultation on targeted reforms to tackle the most pressing issues in the employment status framework, which enable worker exploitation and leave vulnerable workers without core employment protections that they are entitled to.

The government also committed to strengthen rights and protections for the self-employed in the Plan to Make Work Pay, recognising the crucial role they play in our economy. In this consultation, we are seeking views on how the government can support the self-employed to thrive in good quality self-employment.

This consultation seeks views on proposals to:

1. Rebalance the employment status test so that personal service, including the right to substitution, is less decisive and factors such as control are given greater weight when determining worker status. This would help to ensure that individuals under significant control are not denied core employment rights.
2. Introduce a presumption of worker status and consider the future role of the Fair Work Agency in enforcement to improve compliance with the framework. Presumption of worker status would shift the burden of proof to the engager of an individual to demonstrate that they are genuinely self-employed. This will empower workers, their representatives and agencies seeking to protect them, most notably the Fair Work Agency.
3. Consider how measures such as a new right to a written statement and the extension of blacklisting and health and safety protections could improve transparency, protections and fairness for the self-employed.

This consultation, and the measures within it, are concerned with the employment status framework for employment rights only, not the framework for tax.

The consultation was published on 14 October and closes on 8 January 2027.

## **Consultation 2: Whistleblowing**

The whistleblowing framework in the Employment Rights Act 1996, which applies in England, Wales and Scotland, protects workers who make disclosures about wrongdoing in the public interest from dismissal or other detriment by their employer.

Many stakeholders have argued that the framework, which has remained largely unchanged since it came into force in 1999, may require reform. They have suggested that protections for workers are insufficient, that employers are not required to have whistleblowing procedures in place, and that the framework can be difficult to navigate for both workers and employers.

The UK Government has therefore launched a consultation to seek evidence and views on a range of potential reforms. The consultation also seeks views on the design of a proposed Serious Fraud Office scheme to provide financial rewards to individuals who report economic crime to the agency, and on associated criminal offences. This is in response to recommendations by Jonathan Fisher KC in Part 2 of the *Independent Review of Disclosure and Fraud Offences*, published by the Home Office in July 2026.

The consultation launched on 12 October and will run until 8 January 2027.

## **Consultation 3: Tipping**

Too often, workers do not get a say in how tips and service charges are distributed in the workplace. This can make a big difference in what employees take home each month and wider workplace cohesion. This is particularly an issue in the hospitality sector, which makes up one of Britain's largest workforces. We are changing that by introducing a new requirement for employers to consult with workers at their place of business when developing or revising their written tipping policies.

On 19 August, the UK Government launched a public consultation on tipping, which ran until 29 September. This consultation sought views on the revised statutory Code of Practice on fair and transparent distribution of tips. The new draft Code takes into account: these new requirements on worker consultation and tipping policies; the views expressed during our previous public consultation, which was held between February and April 2026; and other developments in tipping industries since the current regime came into effect in October 2024.

We will carefully consider all representations before bringing into effect a final version before Parliament later this year, thereby enabling workers and employers to effectively exercise these new rights.

## **Government Response 1: Bereavement Leave**

There is currently no statutory right for employees to take bereavement leave following a death or pregnancy loss, except for parents who lose a child aged under 18, or stillborn from 24 weeks. The Employment Rights Act 2025 introduces a power to create a new day-one right to bereavement leave for the loss of other loved ones including pregnancy loss before 24 weeks, guaranteeing employees the right to take time off to grieve and the security of knowing they have the legal right to do so.

The consultation for this entitlement ran for 12 weeks, concluding on 15 January 2026. The consultation sought views on details of the entitlement, such as eligibility criteria, the total

duration of leave, the maximum window of time in which the leave must be taken, and the types of pregnancy loss in scope.

The Government response was published on 22 September 2026. It sets out the final details of the bereavement leave entitlement, and the next steps for its implementation. These details will be laid out in secondary legislation and are planned to come into force in April 2027. Measures set out in the response include:

- The eligibility criteria, both for pregnancy loss and the loss of other loved ones.
- When and how the leave can be taken, including leave length, notice periods and evidence requirements.

## **Government Response 2: Flexible Working**

Despite recent reforms and wider cultural changes, flexible working requests are still handled inconsistently. While in some workplaces, managers and employees are working together to think about where flexibility might be possible, in others, these opportunities are missed.

Through the Employment Rights Act 2025, the UK Government is making changes to strengthen the flexible working framework. The Act introduces a new requirement that employers must only reject requests where it is reasonable to do so and provides powers to set out a statutory process employers must follow before rejecting a request. These changes are intended to improve transparency and accountability by ensuring employees receive a clear explanation of decisions while supporting more meaningful discussion about whether flexibility can be accommodated.

Earlier this year the UK Government consulted on proposals to improve access to flexible working to shape how these reforms will be implemented in practice. The consultation ran from 5 February until 30 April 2026 and sought views on a new process employers would be required to follow when considering the rejection of a statutory flexible working request, alongside wider questions about the operation of the flexible working framework and the guidance and support needed to make it work effectively in practice.

The Government response was published on 15 September and sets out feedback on the proposed process we took on board, and confirms plans to bring reforms into effect through secondary legislation. The reforms do not remove employers' ability to refuse requests where it is reasonable to do so and where the relevant business reasons apply. Instead, they are intended to support better decision-making and encourage meaningful consideration of requests.

Having considered the consultation responses and wider evidence, the Government will now proceed with reforms enabled through the Employment Rights Act 2025.

To achieve this, the Government will:

- Introduce secondary legislation setting out a process that employers must follow when considering the rejection of a statutory flexible working request.
- Bring the reasonableness test introduced through the Employment Rights Act 2025 into force.

It is our intention that these changes will take effect in autumn 2027. The Government will also consider what other information and guidance may be needed to support implementation of these reforms.

### **Government Response 3: Employer Duty to Inform Workers of their Right to Join a Trade Union**

Workers cannot exercise rights they do not know they have. Too many workers are unaware that they have a legal right to join a trade union. Without clear information, workers may not be in a position to make informed choices about whether trade union membership is right for them.

The Employment Rights Act 2025 addresses this longstanding gap in the legislation by introducing a new duty on employers to provide workers with a written statement about their right to join a trade union. This new duty will help ensure workers receive clear and consistent information about their right to join a trade union and are able to make an informed choice about union membership.

A consultation on this duty ran from 23 October to 18 December 2025 and sought views on the practical detail of how the duty should operate to ensure it is clear, proportionate and workable for both employers and workers.

The Government response, which was published on 25 September, confirms the final policy approach which provides for a standardised statement drafted by Government which employers will be required to give to workers. The statement will include a brief overview of the functions of a trade union, information about recognised trade unions and trade unions with statutory access agreements where applicable, information on the Certification Officer's list of trade unions and a summary of statutory rights in relation to union membership. When implemented, employers must provide the statement to new workers directly, while employers have flexibility in how they provide the statement to existing workers either through direct or indirect delivery.

The duty is planned to come into force on 1 January 2027 with employers required to give the statement to new workers from its introduction and to existing workers by 6 April 2027.

#### **Next Steps for consultation**

The UK Government has committed to delivering its employment rights reforms in partnership with businesses, trade unions, public sector employers, and civil society. That's why we're undertaking full and comprehensive consultation with these groups on key changes. By delivering these reforms together, we're backing businesses who do the right thing and giving hardworking people the job security and opportunities they deserve. The Government will continue to keep Parliament updated on the implementation of the Employment Rights Act and the Plan to Make Work Pay.

Best wishes,



**KATE DEARDEN MP**

Minister of State for the Future of Work  
Department for Business, Innovation, Science & Trade