



What's on the horizon in 2025?

We have captured the key employment, regulatory and business crime law changes for the coming year:

Date	Change	Detail	Actions to consider
6 January 2025	New ET Rules of Procedure	<ul style="list-style-type: none">The Employment Tribunal Procedure Rules 2024 (SI 2024/1155) came into force.New rules: The Employment Tribunal Procedure Rules 2024Comparison table between the old and the new: 2024-Rules-Comparison-Table.pdf	
20 January 2025	Dismissal and reengagement – new uplift/reduction in compensation by up to 25% for failure to follow the Code of Practice	<ul style="list-style-type: none">ET has the power to increase or reduce any award it makes by up to 25% for any unreasonable failure to comply with the Code or another applicable code of practice.See here for a copy of the Code	<ul style="list-style-type: none">Consider the Code when planning contract changes, which could lead to dismissal and reengagement on new terms.
Q1 of 2025	FCA to publish new approach to enforcement transparency	<ul style="list-style-type: none">Consultation on the FCA's proposed 'name and shame' policy regarding the publication of firms under investigation to close on 17 February 2025FCA to announce a decision on the proposals in Q1 of 2025.	<ul style="list-style-type: none">Wait to hear the new proposals
6 April 2025	Increase in National Insurance Contributions	Employers secondary class 1 national insurance contributions (NICs), together with Class 1A and Class 1B rates, on an employee's earnings above £5,000 will increase from 13.8% to 15%.	<ul style="list-style-type: none">Ensure payroll has increased rates.



6 April 2025	Increase in the National Minimum Wage and National Living Wage	Minimum rates per hour increase to: <ul style="list-style-type: none">• 21 and over - £12.21 (NLW)• 18-20 - £10.00 (NMW)• Under 18s - £7.55 (NMW)• Apprentice - £7.55	<ul style="list-style-type: none">• NLW minimum salary (37 hours per week) is now £23,492.04 per year.• Check starting salaries and deductions (including salary sacrifice), plus unpaid overtime for inadvertent breach.
6 April 2025	Increase in statutory parental leave pay	<ul style="list-style-type: none">• Increase to £187.18 per week.	<ul style="list-style-type: none">• Ensure payroll has increased rates.
6 April 2025	Increase in a week's pay for calculating statutory redundancy pay and basic award	<ul style="list-style-type: none">• The statutory cap on a week's pay for the purposes of calculating the basic award and statutory redundancy pay will increase.• Rate to be confirmed.	<ul style="list-style-type: none">• Ensure payroll has increased rates.
6 April 2025	Increase in Statutory Sick Pay	Increase to £118.75 per week, subject to the LEL and waiting days.	<ul style="list-style-type: none">• Ensure payroll has increased rates.
6 April 2025	Lower Earnings Limit	LEL increases to average pay of £125 per week before tax.	<ul style="list-style-type: none">• Consider if increase in number of workers who are eligible for SSP etc.
6 April 2025	Neonatal Care (Leave and Pay) Act 2023	<ul style="list-style-type: none">• New entitlement for parents to 12 weeks' leave and pay when their baby requires neonatal care (i.e. seven days of medical or palliative care within the first 28 days of birth).• Leave – day one right. To be taken after other parental leave (e.g. SML or SPL) and in first 68 weeks of birth.• Pay – 26 weeks of service and subject to LEL.• In addition to existing parental leave entitlements.	Get ready to: <ul style="list-style-type: none">• Update policy and contracts to include reference to paid leave.• Consider privacy implications. Medical conditions are classed as sensitive.• Consider disability discrimination implications, particularly when managing sick leave.



1 September 2025	New offence of failure to prevent fraud	<ul style="list-style-type: none">• Introduced by the Economic Crime and Corporate Transparency Act 2023• Introduces liability for a corporation where an employee / agent commits a fraud intended to benefit the organisation.• Organisations will need to have <i>reasonable fraud prevention procedures</i> in place to avoid liability.• Applies to large organisations, meeting two or three out of the following criteria: 250+ employees, turnover of at least £36 million, total assets of at least £18 million.	<ul style="list-style-type: none">• Undertake an audit to identify potential fraud risks and apply a bespoke approach to designing reasonable fraud prevention procedures.
April 2026	IR35 compliance – new umbrella company tax avoidance rules	<ul style="list-style-type: none">• Change to responsibility for accounting for PAYE and NICs where an umbrella company is used in a labour supply chain to engage a worker, from umbrella company to either i) the agency; or ii) the end client where there is no agency.• HMRC data shows that £500 million was lost to disguised remuneration tax avoidance schemes in 2022 to 2023, almost all of which was facilitated by umbrella companies.• Detail of the rules to be confirmed.• Policy paper – Tackling non-compliance in the umbrella company market	<ul style="list-style-type: none">• Review supply chains and onboarding/engagement with off-payroll workers.• Ensure you have a clear view on how and where umbrella companies are engaged.• Consider reducing the number of umbrella/end client relationships.• Review terms of business with umbrella companies and agencies, to mitigate risk.
2025-2026	Employment Rights Act 2025	Watch this space...	

This is a guide and not a substitute for advice.
Correct as at January 2025.



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A bit about Constantine Law

Our team consists of employment, business immigration, regulatory and business crime specialists.

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