

Fire & Rehire:

Know Your Rights

What fire and rehire is, when it's lawful, the ERA 2025 restrictions, and what you can do if your employer threatens it.



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GOV.UK · ACAS · ERA 2025



England, Wales & Scotland

ukworkrights.co.uk

What is fire and rehire?

- Fire and rehire (also called "dismiss and re-engage") is when an employer **dismisses employees and offers to rehire them on worse terms**
- Typically used to impose pay cuts, reduce benefits, change hours or remove contractual protections
- It is a **last resort tactic** — not a routine HR tool
- The practice has been widely condemned and will be heavily restricted under ERA 2025 from January 2027 (the government's timeline)
- Until the ERA 2025 protections start (January 2027 on the government's timeline), it is still lawful if followed correctly
- P&O Ferries sacked 800 workers via Zoom in 2022 — the high-profile abuse that accelerated legal reform

▲ ERA 2025 CHANGE THE EMPLOYMENT RIGHTS ACT 2025 WILL MAKE FIRE AND REHIRE AUTOMATICALLY UNFAIR DISMISSAL IN MOST CIRCUMSTANCES. THE GOVERNMENT'S TIMELINE PUTS THIS IN JANUARY 2027.

What ERA 2025 changed

- 1 Automatically unfair dismissal**
From January 2027 (the government's timeline), dismissing an employee to rehire on inferior terms will be automatically unfair in most cases — regardless of length of service.
- 2 Very limited exceptions**
An employer may still dismiss and re-engage in genuinely exceptional financial circumstances — but the bar is high and must be demonstrable. "We want to cut costs" alone won't suffice.
- 3 Consultation obligations strengthened**
Employers must genuinely consult with employees and/or unions before any contract changes. Rubber-stamping consultation is not enough.
- 4 Collective redundancy rules apply**
If 20 or more redundancies are proposed at one establishment within 90 days, collective consultation must start at least 30 days (45 days for 100 or more) before the first dismissal. Failing to consult can lead to a protective award of up to 180 days' pay per employee; failing to notify the government on form HR1 is a criminal offence.
- 5 Unfair dismissal: 6 months from January 2027**
Day-one protection was dropped. Employees need 2 years' service to claim ordinary unfair dismissal, or 6 months where the employment ends on or after 1 January 2027 (England, Wales and Scotland). Some reasons are automatically unfair from day one.

BY THE NUMBERS

800

P&O workers dismissed without notice in 2022 —
the scandal that drove legal reform

30

Minimum consultation days required when 20–99
employees are affected

45

Minimum consultation days when 100+ employees
are affected

6 months

Service needed for ordinary unfair dismissal where
employment ends on or after 1 January 2027 (2
years before that)

45

Days before the first dismissal an employer must
notify the government (form HRI) when 100 or more
redundancies are proposed (30 days for 20 to 99)

No cap

On unfair dismissal compensation where
employment ends on or after 1 January 2027

If your employer threatens fire and rehire

1

Do not sign anything under pressure

Take time to read any new contract carefully. Signing under duress does not make it binding — but seek advice before refusing.

2

Check whether collective consultation has started

If 20+ employees are affected, your employer must begin formal collective consultation. If they haven't, that's already a breach.

3

Contact your trade union

If you're in a union, contact your rep immediately. Unions can challenge fire and rehire through collective bargaining and legal action.

4

Contact ACAS

Free advice: 0300 123 1100. If you're dismissed, start the ACAS early conciliation process immediately — time limits are strict.

5

Consider an Employment Tribunal claim

If dismissed, you may be able to claim unfair dismissal. From January 2027 (the government's timeline), dismissing an employee for refusing a change to pay, hours, shift times, time off or pensions will be automatically unfair. Until then, ordinary unfair dismissal needs 2 years' service.

Frequently asked questions

Q Is fire and rehire now illegal?

Not yet. The Employment Rights Act 2025 will make it automatically unfair to dismiss an employee for refusing a change to pay, hours, shift times, time off or pensions, with a narrow exception for an employer in severe financial difficulty. The government's timeline puts this in January 2027. Until then, today's rules apply.

Q Can I refuse to sign a new contract?

Yes, but your employer may then dismiss you. Until the new protections start (January 2027 on the government's timeline), you usually need 2 years' service to claim ordinary unfair dismissal. Do not sign anything without taking advice first — contact ACAS or a solicitor.

Q What if my employer says the changes are necessary for the business to survive?

They must be able to prove this is genuinely the case — not just commercially convenient. "Business survival" is one of the narrow exceptions under ERA 2025, but courts will scrutinise the evidence carefully.

Q Do the rules apply to small employers?

Yes — ERA 2025 applies to all employers regardless of size. The collective consultation rules (30/45 days) only apply when 20+ employees are affected, but the automatic unfair dismissal protection applies to everyone.

FREE RIGHTS GUIDANCE

Facing fire & rehire?

Get plain-English guidance on your rights and your employer's legal duties.

ACAS

0300 123 1100

acas.org.uk

CITIZENS ADVICE

0800 144 8848

citizensadvice.org.uk

TUC — TRADE UNION CONGRESS

Find your union

tuc.org.uk/join-union

UK WORK RIGHTS — FREE GUIDE

**Fire and Rehire in England,
Wales and Scotland 2026**

ukworkrights.co.uk/guide-fire-and-rehire-gb.html

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TOOLBOX TALK

Zero Hours Contracts

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TOOLBOX TALK

Discrimination at Work

ukworkrights.co.uk/toolbox-discrimination.html

FREE GUIDE

Fire and rehire (England, Wales and Scotland)

ukworkrights.co.uk/guide-fire-and-rehire-gb.html

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