

Zero hour contracts

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Zero-hours contracts are not being banned under the ERA 25. Employers will still be able to use them, however zero and low-hours workers will be entitled to receive:

- ▶ Guaranteed hours contract that reflects their usual working hours over a (likely) 12-week period
 - ▶ Reasonable notice of changes to shifts
 - ▶ Compensation for cancelled shifts
 - ▶ Right to be informed of the above
 - ▶ Likely from 2027
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- ▶ If you're on a zero-hours contract you can be legally classed as an employee or a worker – this is your employment status
 - ▶ Your rights are based on your employment status, not on having a zero-hours contract

What is a worker?

- ▶ their work for the organisation is more casual, for example work is less structured or they do not have a regular working pattern
- ▶ they're usually required to personally do the work
- ▶ they're not offered regular or guaranteed hours by the employer
- ▶ they have very little obligation to make themselves available for work, but should do work they've agreed to
- ▶ they're not carrying out work for a client or customer of their own

Holiday pay

- ▶ Workers on zero-hour contracts are entitled to holiday pay, calculated based on the hours they actually work, ensuring they receive the same rights as other employees
- ▶ They are entitled to 5.6 weeks of statutory annual leave per year. Must be based on a 52 week reference period or the 12.07% method. Can roll up holiday pay and pay an extra 12.07% on each pay slip instead of paying it separately

What is an employee?

- ▶ they're required to work regularly unless they're on leave
- ▶ they can usually expect work to be consistently available
- ▶ they cannot unreasonably refuse to do the work
- ▶ they get statutory paid holiday – they might also have additional contractual holiday entitlement
- ▶ they're subject to the employer's discipline and grievance procedures
- ▶ they need to give notice to their employer if they want to take maternity, paternity or adoption leave
- ▶ they cannot get someone else to do their job
- ▶ their employer decides how, when and where they do their work
- ▶ their employer provides the materials, tools and equipment for their work