

Employment Law Essentials Checklist

Employment law safeguards workers' rights, prevents discrimination, and ensures a fair and equitable workplace. But for SMEs, it can feel like a minefield. Getting it wrong can lead to serious consequences — from financial penalties and reputational damage to operational disruption and loss of employee trust.

With so much to stay on top of, where do you start? This checklist breaks down the essentials every employer must get right to stay compliant and avoid risk.

Area	Action	Compliant?
Key legal obligations		
Written Statement of Particulars	• Ensure all new starters are provided with a Written Statement of Particulars, setting out essential information about the employment contract, on or before their first day of work.	☐
	• Make sure to include: • Employer's and employee's names; • Job title and a brief job description; • Date of commencement of employment; • Salary and payment frequency; • Working hours and location; • Details of holiday entitlement and pay; • Information on any applicable probation period; • Notice periods required from both employer and employee for termination; • Details of disciplinary and grievance procedures; and • Any other benefits such as pensions or bonuses.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
National Minimum Wage	• Check you're compliant with current statutory minimum wage rates, which are typically updated each April. Ensure the correct pay for different age groups and apprentices. ⚠ Warning: Non-compliance can lead to penalties and back payments and being named and shamed on the government website. ★ Tip: Download our Employment Facts & Figures Reference Guide 2025/26 for the latest National Minimum Wage and National Living Wage rates, as well as statutory sick pay, family leave pay (maternity, paternity, etc.), and more.	☐
Working Time Regulations – rest breaks and breaks between shifts	• In accordance with the Working Time Regulations 1998, ensure employees receive: • A minimum of a 20-minute rest break if their shift exceeds six hours; • A daily rest period of at least 11 consecutive hours between finishing work and starting work the next day; and • A weekly rest period of at least 24 hours, or 48 hours in a fortnight. These regulations are in place to protect employee health and wellbeing, preventing excessive working hours.	☐ ☐ ☐

Working time opt-out

- Ensure you understand **working time opt-out rules**, which allow employees to voluntarily opt out of the 48-hour maximum weekly working limit set by the Working Time Regulations:
- Opt-outs must be **genuinely voluntary** and agreed to in writing.
- Employees have the **right to cancel** these agreements with appropriate notice (usually seven days).
- Employers **must not apply pressure** on employees to agree and must respect their right to refuse without repercussions.

☐☐☐☐**Equality at work****The Equality Act 2010 and protected characteristics**

- Ensure you are familiar with the **key provisions of the Equality Act 2010** – the primary legislation governing discrimination law in the UK that serves to protect individuals from unfair treatment in the workplace.
- Ensure your policies and practices do not discriminate against anyone based on the **nine protected characteristics** set out in the Act:
 1. Age;
 2. Disability;
 3. Gender reassignment;
 4. Marriage and civil partnership;
 5. Pregnancy and maternity;
 6. Race;
 7. Religion or belief;
 8. Sex; and
 9. Sexual orientation.

★ **Tip:** Train managers on the Equality Act and inclusive practices to ensure fair, lawful decision-making and reduce the risk of discrimination.

☐☐**Avoiding discrimination**

- Ensure you understand the different types of discrimination and how to avoid them:
 - **Direct discrimination:** Occurs when a person (A) treats another person (B) less favourably than they treat or would treat others, specifically because of a protected characteristic that B possesses or is thought to possess. **Example:** Refusing to hire someone solely based on their race or gender.
 - **Indirect discrimination:** Occurs when a seemingly neutral provision, criterion, or practice is applied universally but puts individuals with a particular protected characteristic at a disadvantage compared to others who do not share that characteristic. **Example:** A workplace policy requiring employees to work full-time, which may disadvantage women, who are more likely to have caring responsibilities.
 - **Harassment:** Involves unwanted conduct related to a protected characteristic that has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating, or offensive environment for that individual. **Example:** Making derogatory jokes about someone's religion.
 - **Victimisation:** Occurs when a person is treated unfairly because they have made or supported a complaint about discrimination or have been involved in proceedings under the Equality Act. **Example:** An employee facing adverse treatment after raising a complaint about workplace discrimination.

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Hiring basics

The recruitment process	- Ensure you are following a fair and structured recruitment process: Identify the need: Determine the job requirement and create a clear job description. Advertise the vacancy: Use appropriate channels to reach a diverse pool of candidates. Shortlist candidates: Review applications and select candidates for interviews based on predefined criteria. Conduct interviews: Evaluate candidates through interviews and any relevant assessments. Make an offer: Select the best candidate and make a formal job offer, outlining terms and conditions. Carry out pre-employment checks: Conduct reference checks and validate qualifications and right-to-work documentation. Onboard effectively: Introduce the new hire to the company and integrate them into their role and team. ★ Tip: Embrace new recruitment tech and trends – such as AI-driven tools, remote interviews, online assessments, and skills-based evaluations – to maximise hiring efficiency. Additionally, stay attuned to evolving candidate expectations – including the growing demand for flexible and remote work – to remain competitive in a challenging market.	☐ ☐ ☐ ☐ ☐ ☐ ☐
Job adverts	- Keep job adverts clear, concise, and free from bias, ensuring compliance with the Equality Act. - Avoid language that may imply a preference for a particular age, gender, or any personal attribute that is unrelated to job performance. For example, avoid gendered terms like ‘handyman’ (‘maintenance worker’ would be more appropriate). - Outline the essential qualifications and skills required to avoid discrimination claims and attract a diverse range of applicants.	☐ ☐ ☐
Interview questions	- Avoid questions that could be seen as discriminatory or irrelevant to the candidate’s ability to perform the job. - Do not inquire about personal matters related to protected characteristics, such as age, marital status, religion, or plans to start a family. - Focus questions on job-related skills, experiences, and how candidates handle work-specific situations.	☐ ☐ ☐
Probation periods	- Utilise probation periods (typically ranging from three to six months) to assess employees’ performance, conduct, and overall suitability for the role. - Set clear objectives, provide regular feedback, and offer support to ensure a fair assessment, address issues early, and help the employee reach the required standard.	☐ ☐

Day-to-day employee management		
Break entitlements	• Ensure employee receive appropriate rest breaks, as stipulated by the Working Time Regulations, to promote health and wellbeing at work: • Workers are entitled to a minimum uninterrupted 20-minute rest break if their working day exceeds six hours. • Young workers (aged 16-17) are entitled to a 30-minute break if their shift lasts more than four and a half hours. • Employees should also receive a minimum of 11 uninterrupted hours of rest between working days and 24 hours of continuous rest in a week. • Clearly communicate these entitlements – in addition to keeping your business compliant, breaks are crucial for maintaining productivity and preventing burnout.	☐ ☐ ☐ ☐ ☐
Holiday entitlement	• In accordance with the Working Time Regulations, ensure workers receive a minimum of 5.6 weeks' paid holiday per year. This equates to 28 days for someone working a five-day week, inclusive of public holidays. You may choose to offer a more generous entitlement if you wish. • Ensure part-time workers receive a pro-rata amount of holiday leave and pay to avoid underpayment and guarantee fair treatment. • Ensure your holiday policy is transparent, accessible, and easy for employees to understand to prevent misunderstandings and disputes. • Maintain accurate records of leave taken to monitor entitlements, support workforce planning, and demonstrate compliance.	☐ ☐ ☐ ☐
Absence management	• Implement a clear sickness absence policy that outlines how to report absence, your trigger points, how longer-term or recurring absence will be managed, and your sick pay arrangements. • Treat all absence issues consistently and fairly to avoid discrimination claims. Take particular care when dealing with absences related to disability, pregnancy, or other protected characteristics. • Where health conditions or disabilities are a factor, ensure appropriate support is in place, including making reasonable adjustments in line with your legal obligations. ☆ Tip: Use absence management software like PeopleNest to log and monitor sickness absences, and consider Managing Sickness Absence training to ensure you and your team are equipped to handle these matters effectively and compliantly.	☐ ☐ ☐
Performance management	• Set clear, measurable, and achievable performance targets, and provide regular feedback through formal appraisals and informal check-ins. • Provide relevant training and support to help employees improve and reach their full potential, addressing any issues constructively. • Keep consistent records of performance discussions, feedback, and development actions to promote transparency and fairness – this will also be essential if formal action is necessary due to poor performance.	☐ ☐ ☐

f they believe it was unjust.

A woman with blonde hair and blue-rimmed glasses is looking off to the side with a concerned expression. In the foreground, the back of a man's head and shoulders are visible, suggesting a conversation or interaction. The image is framed with a purple curved border on the left and bottom.

A woman with long brown hair, wearing a blue blazer over a white shirt and a black lanyard, is smiling while talking on a blue mobile phone. She is looking down at a laptop screen. The background is a blurred industrial setting with machinery and bright lights.

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