The Fair Work Agency: What Employers Need to Know

The Fair Work Agency (FWA) was launched on 7 April 2026 to bring enforcement of important workplace rights into one organisation. Employers should understand what it already does, what is planned to transfer to it, and what records demonstrate compliance.

1. Understand the agency's present role

As at November 2026, the FWA is operating and works across areas including National Minimum Wage compliance, employment agency regulation and the licensing regime for certain labour suppliers. Its remit also includes tackling serious labour exploitation within the applicable legal framework.

The agency has investigative and enforcement powers. Its work is not limited to advising employers, although guidance and education form part of the wider approach.

2. Distinguish current enforcement from future duties

Further functions will transfer over time, including enforcement relating to statutory holiday pay and statutory sick pay. Government guidance says holiday pay enforcement is intended to begin in 2027 and will not start before April 2027; exact arrangements remain subject to implementation.

The FWA does not create a new right for employers to ignore existing employment law until a future enforcement phase begins. Underlying obligations continue to apply.

> **Example | Reviewing an irregular-hours employee**
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> An employer is asked to explain holiday pay for a casual employee whose hours vary each week. A clear audit trail includes the worker classification, pay-period hours, accrual calculation, holiday taken, holiday payments and the historical rates used.

3. Prepare the evidence an inspector may need

Keep clear records of actual working time, pay rates, deductions, holiday accrual and payments, sickness dates and relevant contractual terms. Where agency or labour-supply arrangements apply, check responsibilities and supporting records.

An organised record should show not only a calculated result but also the working pattern, pay period and source data used to reach it.

4. Make compliance an ongoing operational process

Review pay and employment arrangements when rates or legislation change. Ensure HR, operations and payroll share consistent worker classifications and have a route for investigating suspected errors.

Common errors employers should avoid

- Assuming an enforcement function scheduled for 2027 has already transferred in full.
- Keeping a final payroll figure without the working-time and entitlement evidence behind it.

How Assyst helps employers maintain auditable workforce records

Assyst links worker classifications, working patterns, time and attendance, holiday calculations, sickness information and payroll calculation records. Its different holiday calculation arrangements for regular-hours and qualifying irregular-hours workers, together with retained historical employee information, help employers explain how an entitlement or payment was assessed. Relevant contracts, HR communications and documents remain associated with the employee record.

Discuss your workforce requirements with Assyst

Assyst Workforce Management is a workforce management platform for multi-site employers, bringing together HR and paperless onboarding, time and attendance, workforce scheduling, payroll calculations, task management and a mobile staff app. To discuss how Assyst could support your business, visit www.assyst.uk and contact us through the website.

Useful official sources

Business.gov.uk — Fair Work Agency: employer guidance
https://www.business.gov.uk/campaign/employment-changes/employers/fair-work-agency/

Business.gov.uk — Employment rights implementation
https://www.business.gov.uk/campaign/employment-changes/employers/

GOV.UK — Employment Rights Act implementation timetable
https://www.gov.uk/government/publications/implementing-the-plan-to-make-work-pay-and-employment-rights-act/plan-to-make-work-pay-and-employment-rights-act-timeline-update

General guidance for employers in Great Britain, reviewed November 2026. Contract terms and individual circumstances may require professional advice.