Zero-Hours Contracts: Understanding Employment Law Reforms

Zero-hours contracts can provide flexibility where staffing needs genuinely change. The Employment Rights Act 2025 introduces new protections aimed at giving qualifying workers greater certainty, although the principal guaranteed-hours and shift-notice measures are not yet in force as at November 2026.

1. What is a zero-hours contract?

A zero-hours arrangement does not guarantee a minimum amount of work. Work is offered as needed, subject to the actual contract and how the relationship operates. A worker may accept shifts at different times or locations; the fact that they are not guaranteed hours does not remove their existing employment rights.

Working arrangement	Example
Genuine zero-hours arrangement	Shifts are offered when events or other temporary demands arise; no minimum hours are guaranteed.
Low-hours arrangement	The contract guarantees a small number of hours, although the worker regularly accepts many more.
Fixed contractual pattern	A person agrees to the same weekly pattern, even if the pattern later changes by a formal variation.

2. Three forthcoming reforms

Proposed right	What employers should prepare for
Offer of guaranteed hours	Qualifying workers may have to be offered hours reflecting work performed over a specified reference period.
Reasonable notice of shifts	Workers will gain rights concerning notice of shifts and changes, subject to final detailed rules.
Payments for short-notice changes	Compensation will apply in specified cases where shifts are cancelled, moved or cut short on insufficient notice.

The government’s 5 November 2026 implementation timetable says commencement timings for these measures will be updated following consultation. Employers should not treat proposed thresholds, reference periods or payment formulas as final legal requirements.

3. A practical guaranteed-hours example

Example A | Regular work on a nominally flexible contract

An employee has no guaranteed hours but accepts approximately 24 hours each week for several months. A manager has come to rely on this pattern for the rota.

Employer response: Keep a clear history of hours offered and actually worked. When the new rules commence, those records will help determine whether a guaranteed-hours offer is required and what it should contain.

4. Record shift offers, changes and cancellations

The difference between a shift offered, accepted, changed and cancelled may become important. Record when the shift was first communicated, the scheduled start and finish, any subsequent changes, who made them and what work was completed.

Example B | A cancelled shift

A worker accepts a six-hour shift on Monday. On Sunday evening the employer cancels it because demand has fallen.

Employer response: Record the original offer, acceptance, cancellation time and reason. When the new statutory measures come into force, these details will be needed to test any payment liability.

5. Existing rules still matter now

Zero-hours workers can still have rights to the National Minimum Wage, paid annual leave, rest breaks and protection from unlawful discrimination. Exclusivity terms that prevent zero-hours workers from working for another employer are prohibited. Holiday entitlement for qualifying irregular-hours workers is subject to specific 12.07% pay-period rules.

6. Sensible preparations before commencement

- Identify genuine zero-hours and low-hours arrangements; review contracts alongside actual working patterns.
- Preserve reliable offer, acceptance, shift-change and cancellation records.
- Train managers not to substitute informal, undocumented rota changes for an auditable schedule.

How Assyst helps employers manage variable working arrangements

Assyst supports regular-hours, irregular-hours, part-year, casual and zero-hours arrangements by keeping each worker’s classification, contractual terms, shift patterns and actual hours together. It applies the appropriate holiday entitlement and pay calculations for different working arrangements: qualifying irregular-hours and part-year workers accrue statutory holiday by reference to hours worked in each pay period, rather than by the same method used for regular-hours workers. Assyst also supports the assessment and calculation of Statutory Sick Pay for variable-hours staff, using relevant earnings history, qualifying days and absence information rather than assuming that zero-hours employees cannot qualify. The underlying accrual, payment and sickness records are retained for retrospective review. By distinguishing the worker categories and using the applicable statutory calculation rules, Assyst helps employers maintain compliance as employment requirements develop.

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 find out more or discuss how Assyst could support your business, visit www.assyst.uk and contact us through the website.

Useful official sources

GOV.UK — Zero-hours contracts guidance | https://www.gov.uk/guidance/zero-hours-contracts-guidance-for-employers

GOV.UK — Employment Rights Act implementation timeline (5 November 2026) | 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

Acas — Employment Rights Act 2025 | https://www.acas.org.uk/employment-rights-act-2025

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