



# Zero hours contracts

## How will it work?

Right to guaranteed hours:

The measures set out in the Bill will require employers to offer eligible workers guaranteed hours reflecting the hours they regularly work over reference period, which will be set in regulations and is expected to be 12 weeks. Individuals will be able to reject an offer of guaranteed hours and remain on a zero hours contract if they wish.

### Example

Emma is on a zero-hours contract at a care home.

- Over the last 12 weeks, she worked around 30 hours per week
- The employer must offer Emma a contract guaranteeing around 30 hours per week
- Emma can:
  - Accept the guaranteed-hours contract or
  - Decline it and stay on zero hours

### Right to reasonable notice of shifts:

The Bill will require employers to provide workers with reasonable notice of shifts.

If an employer schedules shifts with unreasonable notice, the worker can bring a tribunal claim. The tribunal will decide whether the worker was given reasonable notice of the shift. The Government will use regulations to state how much notice should be 'presumed reasonable'. This will be the tribunals' starting point. The Government will also set out the factors the tribunals should look at when determining whether the notice was reasonable or not. Such issues will be part of the Government's consultation on implementing regulations.

### Example

Liam works in hospitality.

- He is told at 9pm to work a shift starting at 7am the next morning
- Government guidance presumes 48 hours' notice is reasonable
- Liam brings a tribunal claim
- The tribunal decides the notice was unreasonable and rules in Liam's favor.

### Right to payment for shifts cancelled, curtailed, or moved at short notice:

The Bill will require employers to make payments to workers if they cancel, move or curtail a shift at short notice.

### Example

Sara is scheduled to work an 8-hour retail shift on Saturday.

- On Friday evening, the employer cancels the shift due to low footfall
- This counts as short-notice cancellation
- The employer must pay Sara a compensation amount, even though she didn't work.

### Agency workers:

The Government recognizes that due to the complex relationship between an agency worker, agency and hirer, the zero hours contracts rights may need to apply differently to agency workers.

The legislation will maintain flexibility to cater for different circumstances by placing the obligation to offer guaranteed hours on the hirer by default, whilst allowing flexibility to place the obligation on agencies or other intermediaries instead, in certain scenarios. Both the agency and the hirer will be responsible for providing an agency worker with reasonable notice of shifts. Agencies will be required to make short notice payments to agency workers and will generally be able to recoup these costs in situations where the hirer is responsible.

The Government will set out further details in regulations, including the guaranteed hours offer process, the factors employment tribunals will consider to determine whether a notice of shift is reasonable and what constitutes short notice cancellation. The regulations may apply differently for directly engaged and agency workers.

In developing the regulations, the Government will consult on all of the zero hours contracts measures to inform the details of their implementation.

## Common questions

Q1. Will it still be possible to use zero hours contracts? They work well for a lot of people.

- The Government recognizes that some workers need and value the flexibility that a zero hours contract can provide, for example students and people with caring responsibilities. The Government would not want to take away this flexibility for these groups.
- Those who are offered guaranteed hours will be able to turn these down and remain on their current contract or arrangement if they wish.
- The Government also recognizes that there are cases where unions and employers working together may want to agree more tailored conditions than the provisions allow, and which would benefit both the workers and the employer, given the unique context of that particular sector.
- The Employment Rights Bill includes provisions which will allow collective agreements between trade unions and employers to opt-out of the zero hours contracts measures.

Q2. In some industries it's not practical to offer lots of notice. How will these measures work for different sectors and industries?

- The Government is carefully considering the specifics of what 'reasonable' should look like, to ensure this measure works for both workers and businesses. Depending on the specific circumstances, it is possible that even very short notice could count as 'reasonable'.
- The Government will consult on these measures to inform the details of their implementation.