



Adelaide House
39-49 Adelaide Street
Belfast BT2 8FD
02890 529333

employment.rights@economy-ni.gov.uk

Date: 1 August 2025

To: Michelle McGinley, Northern Ireland Employers Federation

From: Dearbhla Redmond, Zero Hours Contracts Policy Lead

GOOD JOBS EMPLOYMENT RIGHTS CONSULTATION – ZERO HOURS CONTRACTS

The Department for the Economy is developing an Employment Rights Bill following the announcement by the Minister, Dr Caoimhe Archibald MLA, in April in which she set out her legislative priorities. This Bill will include new legislation to regulate the use of zero hours contracts. The Department consulted on the issue of zero hour contracts as part of its wider Good Jobs consultation in 2024.

The Minister has announced her intention to end exploitative zero hours contracts and details of how this will be delivered is set out at page 9 of 'Good Jobs Employment Rights Bill: The Way Forward' which can be accessed [here](#).

The Department is committed to further engagement with stakeholders to help refine the policy detail.

The purpose of this paper is to set out the broad policy intent regarding zero hours contracts and to seek information on your experience of zero hours contracts. This will help inform the finer policy details as we prepare draft legislation. Links to how similar issues have been addressed in other jurisdictions are set out at Annex B.

WHAT IS PROPOSED

The Minister is committed to ending exploitative zero hours contracts. It is intended that the Employment Rights Bill will introduce a banded hours system which more accurately reflects the actual working pattern of many workers who are currently on zero hours contracts.

The Department proposes to set out the broad parameters of the policy in the Employment Rights Bill. However, it is intended that the Bill will also provide the

Department with additional legislation making powers to make further regulations (sometimes known as secondary legislation) which will set out some of the finer details of the policy after the Bill has been passed into law by the Assembly.

WHAT IS 'BANDED HOURS'?

Zero and low hours workers who consistently and regularly work more hours than their contract states will have the right to move to a contract that more accurately reflects their working pattern (a 'banded hours' contract). A banded hours contract is one which guarantees a worker a band of hours that their employer will be required to offer each week. Each band will have an upper and lower number of hours. The hours offered cannot be less than the minimum range in the band. The employer may expect the worker to work hours at the upper range of the band. By moving to a banded hours contract, the worker is contractually obliged to work the number of hours within the range of their band each week. Hours above the upper range of the band can be agreed between the worker and employer in line with normal overtime or additional hours arrangements. Having a band of hours that specifies a range gives both the employer and worker some flexibility while ensuring the worker has a minimum guaranteed income.

The Department will specify the range of hourly bands in legislation.

HOW WILL IT WORK?

A zero hours or low hours worker will become eligible to apply to ask their employer to vary their contract and move them to a banded hours contract after completing a qualifying period. This qualifying period will be set out in regulations, after further engagement with stakeholders, but may be 26 weeks. An employer will only be able to decline a banded hours request in limited circumstances which will also be set out in regulations. Where a worker is content to remain on a zero hours contract, they are free to do so.

Steps

1. Worker completes qualifying period.
2. Worker applies to employer to move onto a banded hours contract.
3. Employer must make a decision within a set time period but can only refuse a request in limited circumstances. These will be set out in regulations.
4. If the request is approved, the worker moves to a banded hours contract.
5. If the request is declined on the basis of one of the limited exceptions which will be set out in legislation, the worker remains on their zero hours or low hours contract.

To ensure workers know about the right to have banded hours, the Department proposes to add a requirement for employers to inform zero and low hours workers of this right in the written statement of particulars¹ that they must provide to the worker at the beginning of employment.

¹ The right to a written statement of particulars is set out in Articles 33 – 39B of the Employment Rights Order (NI) 1996. The Minister proposes to amend the existing legislation in respect of written statements

ASSOCIATED ISSUES

Right to reasonable notice of shifts:

One of the problems associated with zero hours contracts is that the worker does not always get sufficient notice that they will be called into work or have work cancelled. This can lead to a feeling of always being “on call” and can make it difficult to plan ahead. It is, however, accepted that businesses may sometimes need to allocate shifts at short notice in reaction to sudden and unexpected fluctuations in demand for services or to cover temporary absences. There will also be other reasons why a business may legitimately need to change staffing arrangements at short notice.

To address this, the Employment Rights Bill intends to introduce a right for workers who work on zero and low hours contracts to have a right to reasonable notice of shift patterns.

Compensation for cancelled/curtailed shifts:

It is unfair that zero and low hours workers who may have incurred expenditure in terms of getting to work, arranging childcare or turning down other work, can have shifts cancelled or be sent home at very short notice. This is particularly problematic for those on a zero hours contract, as they do not have a guarantee of other work in any given week to make up for the income they had anticipated.

It is proposed to introduce a right for workers on a zero hours or low hours contract to receive compensation where an employer cancels or curtails a shift at short notice. The Department wishes to take views from stakeholders, on the matters it needs to take into account, as it develops the finer details of this proposal.

Exclusivity clauses:

Exclusivity clauses in employment contracts restrict workers from taking on additional work with other employers. While there can be reasons why an employer may use exclusivity clauses to protect the interests of the business, there is a balance to be struck in respect of the right of a worker to earn a living.

It is considered that the principle of a worker being on a contract which does not guarantee them any work, but prevents them from seeking work from another employer, is inherently unfair. The Department will therefore ban exclusivity clauses in both zero and low hours contracts that do not guarantee an income above the Lower Earnings Limit.

PURPOSE

of particulars to extend this right to workers as well as employees, make the right a day one entitlement and to expand the information on the statement.

The purpose of this discussion paper is to take views from employer and industry bodies and trade unions in order to gather relevant information to help refine the policy and shape the detail which will eventually translate to legislation.

WHAT WE NEED

To inform further policy development, we have compiled a series of questions at Annex A. The Department would appreciate if you/your members would consider any which are relevant to your organisation. Your insight and experience will be invaluable as we move towards finalising the policy.

Our intention is to discuss these questions and your/your members' experiences in a workshop setting. However, if you prefer to provide a written response, we are happy to receive the feedback in this way and comments can be sent to employment.rights@economy-ni.gov.uk .

It is hoped that we will be able to host the workshop(s) in early September. We would be grateful if you would confirm if you would like to attend and, if so, indicate your availability during the first two weeks of September, and the number of representatives who wish to attend from your organisation, by **15 August 2025**. We will attempt to accommodate as many representatives as possible.

Ending Exploitative Zero Hours Contracts: Policy discussion points and questions

The Department would welcome views on the issues outlined below.

1. The right for workers to move to a banded hours contract, unless there is a good reason an employer cannot accommodate the move

Zero and low hours workers who consistently and regularly work more hours than their contract states will have the right to move to a contract that more accurately reflects their working pattern (a 'banded hours' contract). The Department welcomes further insights from stakeholders on a number of important issues as set out below.

'Low hours' contracts

The policy will be extended to low hours contracts in order to ensure workers on low hours contracts will also benefit from these new rights. Workers on a low hours contract who regularly work more hours than their contract states will also have the right to move to a banded hours contract. They will also have rights to reasonable notice of shifts and compensation if shifts are cancelled or curtailed at short notice. The Department would welcome views on the number of hours that should constitute a 'low hours' contract.

Do you/your members use any contracts which you consider are low hours contracts in your industry?

What do you/your members consider is the appropriate number of hours for a low hours contract?

Period of time on zero or low hours contract before having the right to move to a banded hours contract

It is necessary for the Department to specify how long a worker needs to have worked for the employer before they can make a statutory request to move to a banded hours contract. Both the worker and the employer will need to have evidence of the reality of the working arrangement.

There is a need to strike a balance between what is reasonable for a worker in terms of the length of time they would be on an unstable contract, and the need to build up evidence of an employment pattern that is not unduly distorted by seasonal variations in demand for a business's services. The Minister has indicated that, while this is still to be confirmed, she is minded to have a 26-week qualifying period.

Do you think a 26-week qualifying/reference period would work for your industry/members? If not, why not? What period would be appropriate?

Size of bands

Workers in the Republic of Ireland, whose contracts do not reflect the reality of the hours worked, have the right to ask their employer to change the contract terms. Workers can make a written request to be placed in a band of hours that better reflects the number of hours they have worked over a twelve-month qualifying period. There are eight different bands ranging from a minimum of 3-6 hours to a top band being 36 hours and above. This effectively guarantees the worker a minimum number of weekly hours. The employer has four weeks to consider a request. The employer can only refuse to put a worker on a banded hours contract in certain circumstances.

In the Republic of Ireland, there are eight different bands into which an employee's average hours over the previous 12 months might be placed:

- A. 3-6 hours
- B. 6-11 hours
- C. 11-16 hours
- D. 16-21 hours
- E. 21-26 hours
- F. 26-31 hours
- G. 31-36 hours
- H. 36 hours and above

What is your view on replicating the banded hours structure used in the Republic of Ireland? Please explain your view.

Banded Hours Contracts - exceptions

It is accepted that there are occasions when an employer genuinely needs casual or seasonal labour in order to adjust to fluctuations in demand. That is why the Department wishes to provide for some limited exceptions to the right to switch to a banded hours contract. These exceptions will permit an employer to decline a request for a switch to a banded hours contract, for example, in cases where work is genuinely seasonal or casual.

What does 'genuinely casual' look like in your organisation/ for your members?

What does 'seasonal' work look like in your organisation/ for your members?

Are there any other exceptions that should be considered?

Managing the 'right to request' process

There will have to be a clear, manageable, and straightforward process which will enable a worker to request the move to a banded hours contract and enable employers to manage requests in an effective and proportionate way. The Department may set out certain aspects of this process in legislation to ensure that there is sufficient clarity for all impacted parties. It is likely that the process will require the worker to apply in writing, with an employer having to consider the request within a fixed period and then issue their decision in writing. It is also likely that a worker will have a right to appeal a decision.

What is a reasonable timeframe for an employer to consider a request to move to a banded hours contract?

How many requests should a worker be able to make each year?

What key steps should be included in the request process?

Does your industry include any workers or types of workers who should be excluded from this? If so, on what grounds?

2. A requirement for employers to provide a “reasonable” period of notice to a worker on a zero hours contract in advance of a shift

The Employment Rights Bill proposes to introduce a right for workers who work on zero and low hours contracts to have a right to reasonable notice of shift patterns. It will be necessary for the Department to consider what period of notice is reasonable and how notice is to be given. It will also have to consider what, if any, exceptions are required to this right.

The Department is keen to get further insights on current industry standards and practices.

How far in advance is notice generally given in your/your members’ organisation(s)?

What do you/your members consider is the minimum ‘reasonable’ notice in your industry/sector?

What are examples of when an employer cannot give reasonable notice of a shift?

How is notice given in your industry/business?

Does your industry include any workers or types of workers who should be excluded from this? If so, on what grounds?

3. Introduction of a right to compensation if shifts are cancelled or curtailed at short notice

Workers on a zero hours or low hours contract will have a right to compensation where an employer cancels or curtails a shift at short notice. In implementing this right, the Department will consider the need to determine what is short notice. It will also be necessary to determine how much compensation should be paid, when this compensation should be paid, and if there are any exceptions to this right.

The Department is keen to get further insights on current industry standards and practices.

Is there currently any compensation for shift cancellation/curtailment in your/your members' organisation(s)?

What amount of time would you consider 'short' notice of a cancelled shift in your /your members' organisation(s)?

What are examples of when an employer might have to cancel a shift at short notice?

How is such short notice given/recorded in your/your members' organisation(s)?

Does your industry include any workers or types of workers who should be excluded from this? If so, on what grounds?

Annex B

Please see below for links to detail of how zero hours contract reforms are being handled in neighbouring jurisdictions:

[GB policy on Zero Hours](#)

[ROI Banded Hours](#)