

Dismissal and rehire

If a contract change has not been agreed, your employer might propose to introduce the change by dismissing and rehiring you. Some people call this 'fire and rehire' or 'dismissal and re-engagement'.

This is when your employer gives you notice that they propose to:

- dismiss you from your existing contract
- offer to rehire you on new terms

Your employer should only do this as a last resort. They should follow the [Code of Practice on dismissal and re-engagement on GOV.UK](#).

Before dismissing you, they must have made all reasonable attempts to reach agreement through a [full and thorough consultation about changing your contract](#).

Your rights if your employer proposes to dismiss you

For a dismissal to be fair, your employer must:

- have a fair reason for the dismissal
- follow a fair dismissal procedure
- give you the right amount of notice
- offer you the right of appeal against their dismissal

This applies even if you accept a new contract and continue to work for your employer.

Find out more about:

- [fair and unfair dismissals](#)
- [notice periods and notice pay when being dismissed](#)

If the reason for dismissal is redundancy

The reason for dismissal could be redundancy even if you're offered a new contract. For example, it could be a redundancy situation if:

- the number or types of roles needed to do certain work have changed
- your employer is proposing to significantly change your role

If the reason for dismissal is redundancy, your employer must follow a certain process and you might be entitled to redundancy pay.

The Code of Practice on dismissal and re-engagement does not apply to redundancy dismissals.

[Find out about your rights during redundancy](#)

Other reasons for dismissal

If it is not a redundancy situation, your employer must have 'some other substantial reason' for dismissing and rehiring you.

It can only be a fair dismissal for 'some other substantial reason' in certain circumstances.

For example, it might be considered 'some other substantial reason' if:

- your employer's business is in severe financial distress
- they've already made exhaustive attempts to reach agreement on changes
- there's genuinely no other option but to dismiss and offer to rehire you

If you make a legal claim that your dismissal is unfair, the law will take into account factors such as:

- if your employer had a good business reason for wanting to introduce the change to your contract
- if they reasonably and genuinely consulted with you or employee representatives, including making any compromises where appropriate
- if it was reasonable for your employer to decide that the benefits of the change for the organisation outweighed the disadvantages for affected employees
- the extent to which they considered alternatives to dismissal
- if there's a recognised trade union, whether they recommended or objected to the proposed change
- how many employees accepted the change and how many rejected it
- if it was reasonable for you to refuse the change in the circumstances

If you believe your employer's decision to dismiss you is unfair, you should appeal against their decision.

[Find out more about unfair dismissal and how to appeal](#)

If your employer proposes to dismiss and rehire 20 or more employees

By law, your employer must 'collectively consult' if they're proposing to dismiss and rehire 20 or more employees:

- at one establishment
- within a period of 90 days or less

An 'establishment' might be wider than a single workplace, but not necessarily as wide as your whole organisation.

Collective consultation is when your employer consults with a recognised trade union or other elected employee representatives.

Your employer must collectively consult to explore how to:

- avoid the dismissals
- reduce the number of dismissals
- limit the consequences of the dismissals within the organisation

When your employer must start collective consultation

The law says your employer must start this consultation 'in good time'. What counts as 'in good time' will depend on the circumstances. However, they must start consultation for:

- 20 to 99 employees – at least 30 days before the first proposed dismissal
- 100 or more employees – at least 45 days before the first proposed dismissal

The process your employer must follow for collective consultation

Your employer must follow the same process as for [collective consultation in redundancy situations](#). This applies even if the reason they're proposing to dismiss and rehire you is not redundancy but 'some other substantial reason'.

If your employer fails to collectively consult

You may be entitled to claim compensation, known as a 'protective award' at an employment tribunal.

If the employer has not followed the [Code of Practice on dismissal and re-engagement on GOV.UK](#), this could be taken into account. If it is found they unreasonably failed to comply, from 20 January 2025, the employment tribunal could increase the award by up to 25%.

Employees must also follow the Code of Practice on dismissal and re-engagement. If you unreasonably fail to comply with the Code, from 20 January 2025, the award may be reduced by up to 25%.

For more information, you can:

- [contact the Acas helpline](#)
- talk to a trade union representative, if you have one

If you agree to be rehired on new terms

If you decide to accept your employer's offer to rehire you, you should let them know your decision.

Your employer might ask you to sign a new contract. If they do, you should read it carefully and let them know if you have any concerns.

Your new terms should not take effect until your old contract has ended. Your employer must give you [the right amount of notice](#).

You will usually keep your 'period of continuous employment' – this is your length of service with your employer. In some circumstances, this could apply even if there is a short break between the contracts. For example, if you accepted the new contract before the break.

If you believe the dismissal is unfair, you might be able to make a claim for unfair dismissal from your old contract. You can do this while you continue to work for your employer under the new contract. This is a complex situation and you should [get legal advice](#).

If you do not accept an offer to be rehired on new terms

You do not have to accept your employer's offer to be rehired on new terms. You should let your employer know your decision to avoid any misunderstandings.

If you do not accept it because you believe the dismissal is unfair, you should appeal against your employer's decision. [Find out more about unfair dismissal and how to appeal](#).

If your appeal is not successful, your employment will end when your notice period ends. You should:

- [check your final pay is correct](#)
- [check if you have the right to redundancy pay](#), if the reason for dismissal is redundancy

If you still believe your dismissal is unfair, you might be able to make a claim to an [employment tribunal](#).

If you believe you have been discriminated against

Your employer must not treat you unfairly because of certain 'protected characteristics' under discrimination law (Equality Act 2010). This includes when making a decision to dismiss you, or in the circumstances leading to your dismissal.

[Find out more about discrimination and the law](#)

If you're considering taking legal action

You should get advice on your options before making any legal claim. For example, you could:

- [contact the Acas helpline](#)
- [get legal advice](#)
- talk to your trade union representative, if you have one