

CONTRACTS OF EMPLOYMENTS - THE BASICS

As an employer you are required to provide a legally binding “written statement of employment particulars” to anyone who is employed by you for one month or more.

This can be in the form of

- an offer letter
- a written statement or
- a contract of employment

Typically most employers opt for a contract of employment.

When do I have to provide a contract of employment?

You are obliged to provide a written statement or contract to anyone who works for you for more than one month within the first 8 weeks of employment.

When does the contract start?

A contract of employment exists as soon as a candidate accepts your offer of a job, whether it is in writing or not.

A contract can be conditional on the potential employee providing evidence of suitability — such as references that are to the employers’ satisfaction or evidence of qualifications in the form of certificates. If the condition is not met and the employee has not yet started work, the contract will not take effect.

Does everyone who works for me need a contract / written statement?

No not everyone does. A contractor/ freelancer does not need a contract of employment. You should provide contractors / freelancer with a Contract for Services which sets and agrees the terms between the contractor and yourself.

What type of contract can I issue?

There are different types of contracts, used for different employment situations for example:

- **A full time contract** – this is a contract for full time employees
- **A part time contract** - this is a contract for part time employees
- **A zero hours contract** - this is appropriate for someone you will have an ongoing relationship with and you simply wish to have the flexibility regarding the hours they work. Despite the bad press they have had, for some employees and employers they can work well

- **A fixed term contract** – this is a contract for a fixed period of time, it can be full or part time but it makes reference to a fixed period for example - three months or maternity cover of 6 /12 months
- **A freelancer / contractors Service Agreement** - this is an agreement between yourself and the contractor in relation to the services you are purchasing

Why bother, we have been working perfectly fine without one?

For a start it's more professional to have a contract and secondly a properly drafted contract protects both the employer and the employee. In our experience those employers that do not issue a contract find themselves in difficulty at some point, it is much easier to set out the terms of employment, clearly, fairly and openly at the start of the working relationship than to try to get someone to agree to them at a later date.

Does a solicitor have to draft a contract?

Contracts have to include statutory elements but no, solicitors do not have to be involved.

What are express and implied terms?

Employers may think that a contract only consists of express terms i.e. those drafted into the contract, but that isn't so.

They also include implied terms i.e. a duty to retain trust and confidence, not stealing from an employer and an employer providing a safe place for employees to work. The law also imposes some implied terms such as the right to paid at least the national minimum wage and the right to 5.6 weeks' paid statutory leave.

Implied terms can also include "custom and practice" which are things that always happen over a period of time but that are not written in the contract for example leaving half an hour early on Friday because that is what happened every week, every Friday over the last 6 months.

How do I change a contract?

There are times when you need to change the terms of a contract for all sorts of reasons, changing hours, changing rates of pay, changes to work patterns. A well drafted contract will include a flexibility / variation clause which allows for these changes. A few points to note when considering changing a contract

- You cannot change the terms of the contract unilaterally, you must consult with your employee
- In most cases you need to meet with and agree the new terms with the employee
- In some instances you will be required to give reasonable notice to your employees of your intention to change

- Where changes affect more than 20 employees you need to enter into a collective consultation
- In all instances changes should be made in writing

What do I do with the contract once I have a signed copy?

It is important that both employer and employee sign and date the contract and that each party keeps a signed copy. The employer should file the contract on the employee's personnel file and keep it under lock and key. If you choose to file contracts electronically in an employee personnel file, they should be password protected.

Still confused?

Contracts can be mind boggling, every business is different and employment arrangements vary from person to person. For hassle free contracts give us a call and we can quickly and simply provide you with a practical and straightforward solution to your contract dilemmas.

Cajun HR Services specialise in guiding owner managers of successful growing businesses through the minefield of employment matters and HR legislation. Call us now for practical, straightforward and no nonsense HR advice which allows you to improve your business performance through people.

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