

EMPLOYMENT CONTRACTS

General

To a large extent, employers and employees are free to agree the details of their relationship. Certain mandatory terms and conditions are implied by law. These conditions and rights cannot be varied by the terms of the employment contract. Terms may also be implied by custom and practice in the absence of an agreement to the contrary.

The Employment Contract is simply the terms of employment. A well drafted Employment Contract should secure the desired objectives from the employer's perspective. Employment Contracts may be verbal, written or implied or a mixture. Many employees have verbal or unwritten contracts but certain important terms and conditions may be incorporated with reference to custom, practice or more commonly in recent times by reference to an Employee Handbook etc.

The terms of a contract of employment may be found in the original job advert, letters of offer or formal agreements. An oral agreement is as binding as a written agreement but its terms are more difficult to prove. Written agreements reduce later dispute over the terms of the agreement.

There is no legal requirement that an employment contract is in writing. There is an obligation on an employer to give a statement of certain terms of employment to his employees. The written statement is not necessarily the full employment contract. If there is a dispute at a later date, it can be proof of the terms and conditions of employment.

Statement of Certain Terms Required

As with any contract, the terms and conditions of an employment contract can be changed. The consent of the both parties will be required. When there is a variation, the old employment contract is deemed to be terminated by notice and the new

substitute contract takes effect in its place. If changes are made to the terms of employment, then a new statement of terms in writing must be given.

The written statement of the terms of employment can be a single document or can be set out in separate parts. The following must be specified:-

1. The legal name of the employer company
2. The legal name of the employee
3. Date of commencement of employment
4. Any earlier continuous employment
5. How pay is calculated and the intervals in which it is paid.
6. Hours of work
7. Holiday entitlements including public holidays and holiday pay.
8. Job title and brief description
9. Address of the employee's place of work.

The following information must also be given within 2 months. It can be contained in other documents such as a company handbook which must either be given to the employee or be readily accessible. Whether there are no details applicable under a heading, this must be specified in the statement to the employee.

1. Terms and conditions relating to sickness, injury and sick pay, if any;
2. Period of employment, i.e. whether it is a temporary or fixed contract, and if so the date on which it is to end;
3. Notice period required for termination. Alternatively, the relevant legislation can be referred to;
4. Details of any employment abroad for a period of more than one month;
5. The details of collective agreements with trade unions which directly affect the terms and conditions;
6. Any terms in relation to pensions or access to pensions schemes;
7. Dismissal and disciplinary agreements procedures which must meet the statutory minimum standards. These must state the name or job title of the person whom the employee should contact in order to resolve a grievance with details as to how this application should be made. It should also state the name or title of the person whom the employee should contact if they are dissatisfied with the disciplinary decision.

This Guide is intended as an overview and broad outline of the matters covered in it. Its purpose is to inform and raise awareness. We are happy to offer specific legal advice on particular circumstances.

This Guide should not be relied on as a substitute for comprehensive legal advice with reference to the particular circumstances.

While we have taken due care in the preparation of this publication, we do not accept legal liability as a result of any reliance placed on anything in this Guide. The reader should rely only on specific legal or taxation advice.

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