

Employment Contracts

Contract terms

The legal parts of a contract are known as 'terms'. An employer should make clear which parts of a contract are legally binding.

Contract terms could be:

- in a written contract, or similar document like a written statement of employment
- verbally agreed
- in an employee handbook or on a company notice board
- in an offer letter from the employer
- required by law (eg an employer must pay employees at least the National Minimum Wage)
- in collective agreements - negotiated agreements between employers and trade unions or staff associations
- implied terms - automatically part of a contract even if they're not written down

Implied terms

Examples of an implied term include:

- employees not stealing from their employer
- your employer providing a safe and secure working environment
- a legal requirement like the right to a minimum of 5.6 weeks' paid holidays
- something necessary to do the job like a driver having a valid licence
- something that's been done regularly in a company over a long time like paying a Christmas bonus

If there's nothing clearly agreed between you and your employer about a particular issue, it may be covered by an implied term.

Written statement of employment particulars

An employer must give employees a 'written statement of employment particulars' if their employment contract lasts at least a month or more. This isn't an employment contract but will include the main conditions of employment.

The employer must provide the written statement within 2 months of the start of employment.

If an employee works abroad for more than a month during their first 2 months' employment, the employer must give them the written statement before they leave.

What a written statement must include

A written statement can be made up of more than one document (if the employer gives employees different sections of their statement at different times). If this does happen, one of the documents (called the 'principal statement') must include as a minimum:

- the business's name
- the employee's name, job title or a description of work and start date
- if a previous job counts towards a period of continuous employment, the date the period started
- how much and how often an employee will get paid
- hours of work (and if employees will have to work Sundays, nights or overtime)
- holiday entitlement (and if that includes public holidays)
- where an employee will be working and whether they might have to relocate

- if an employee works in different places, where these will be and what the employer's address is

As well as the principal statement, a written statement must also contain information about:

- how long a temporary job is expected to last
- the end date of a fixed-term contract
- notice periods
- collective agreements
- pensions
- who to go to with a grievance
- how to complain about how a grievance is handled
- how to complain about a disciplinary or dismissal decision

What a written statement doesn't need to include

The written statement doesn't need to cover the following (but it must say where the information can be found):

- sick pay and procedures
- disciplinary and dismissal procedures
- grievance procedures