

## Contracts of Employment

All employees are employed subject to a Contract of Employment whether or not the terms are recorded in writing. However if there is no written contract there is often confusion as to the terms of the contract. Much will then depend on the parties' conduct.

Employees also have a statutory right to a written statement of particulars of employment. This statement may be good evidence of what is in the contract particularly if it is given at or about the time the contract is made. Whilst this subject is complicated, it is of vital importance to employers and employees. Properly constituted procedures and documentation will assist in providing a clear and unambiguous relationship between both parties from the outset.

### Helpful Hints

As with many matters relating to an employer/employee relationship it will cause fewer problems later on if some time is spent initially in carefully drafting and preparing standard documentation that can be used in any eventuality.

Small businesses and those just formed may at first employ few people. It is all too easy, albeit understandable, that most of the effort and thought is expended on increasing the business rather than on planning personnel matters. The following points are by no means a definitive list, but may assist in highlighting some of the areas that may need attention.

**Letter of Appointment** — A letter offering or confirming an appointment could be held to contain all the terms of the contract. In this way many vital points could be left out. Care must be taken to prepare a proper package of documents covering the terms of the contract and the statutory written particulars of employment.

**Written Statements of Particulars of Employment** — Such statements as specified in law must be given to each employee. The statement must be given not later than two months after the beginning of an employment.

**Staff Manual** — Consider provision of a document or manual that details important matters relating to employment within your organisation such as pay structure, hours of work, holiday and sickness procedures, disciplinary rules, health & safety at work, notice periods, termination of employment and covenants or restrictions etc. However certain information must be given in the written statement of particulars of employment even if they are included in the Staff Manual.

**Special Clauses** — Consider whether special clauses should be provided for certain employees. These include flexibility or mobility clauses, provision for lay off or short time working or restrictive covenants.