

What to include in employment contracts.

As soon as an employee begins working for you, there is automatically an employment contract between you, even though it may not yet exist in writing. This is because when your employee begins working, the terms of employment offered have been accepted.

While a formal written contract is not always required, UK employment law requires employers to issue a written statement of employment to employees within two months of their start date.

Whether issued as a single document or as several statements, the written statement of employment must include the main details of the job role. This includes:-

- the business name and the employer's address;
- the employee's name, the job title, and job description;
- the start date and where applicable, the end date of a fixed contract;
- where the employee will be working and whether relocation will be necessary;
- the duration of the period of continuous employment where applicable;
- the payment terms;
- working hours and overtime;
- holiday entitlement;
- notice periods;



- pension details; and
- the complaints procedure with respect to grievances, disciplinary actions, and dismissals.

It is recommended that you have a lawyer prepare a written statement for your employees to ensure that all legally required elements are covered.

Although a written statement covers the basic terms of employment, it does not include any optional contractual agreements which may be necessary for your business or for the position. Having a qualified solicitor draft an employment contract also means provisions can be included that will protect your business interests and give you a solid backing should you need to seek legal recourse in any disputes with your employees.

Employment contracts will include all of the provisions covered by the written statement as well as a few additional clauses which you may wish to include, depending on the nature of your business.

You can include things like:

- **Probation Period** - If you would like to give your employee a trial run before providing a permanent contract. You may include a clause in the contract stating the duration of the probation period and the conditions of the probation, for example, the notice period you must give if the employee fails to meet your expectations.
- **Assessments** - In any business where employees are

periodically assessed, details of these assessments should be included in the employment contract.

- **Expenses** - You can clearly stipulate which work-related expenses are to be covered, including procedures for submitting proof of payment and the timeframe for reimbursement.
- **Deductions** - If there are circumstances in which you may deduct funds from an employee's salary, these must be stated in the employment contract to prevent any possible misunderstanding or disputes.
- **Restrictive Covenants** - These are critical provisions to include in an employment contract for most businesses, as they prevent your employees from disclosing any sensitive or confidential information about your business, including trade secrets. Post-termination restrictive covenants which include non-compete clauses will also provide that your former employees cannot do business with any of your clients or work in your area of operation for a fixed period, thus protecting your business interests.
- **Disciplinary and Dismissal Procedures** - Your employment contract can outline any measures to be taken should you need to take disciplinary action or dismiss an employee. These will prove essential if the demotion or dismissal of an employee becomes contentious.

Every employment contract should be tailored to the unique needs of each company and position, as failing to include the right provisions could be detrimental to your business if any legal disputes arise later on.

For more information or for expert advice on business or personal legal issues, call us on 020 3475 6751 or via email at info@carterbond.co.uk

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“They made an extremely stressful process seem so easy and helped me see things from a different angle to ensure I covered all angles, things I never thought of.”

Suraj Gokani , Currencies 4 You Ltd

HIGHLIGHT

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