

Employment Contract Factsheet

What is the legal requirement?

Employment laws require employers to provide their employees with a “statement of terms of employment” within two months of starting employment. This is usually the Contract of Employment. **If you fail to provide the required information as set out below, each affected employee could claim compensation of up to 4 weeks’ pay at an employment tribunal.**

What is required in a Contract of Employment?

The following information is **required** in the Contract in order that the Contract complies with employment law:

- *The names of the employer and employee.*
- *The date the employment starts and the date the employee's period of continuous employment began.* The Contract must also state whether any employment with a previous employer counts as part of the employee’s continuous period of employment.
- *Pay (or method of calculating it) and interval of payment.*
- *Hours of work.*
- *Holiday entitlement (including public holidays) and holiday pay.* There must be sufficient detail to allow a precise calculation of the employee’s entitlement, including any entitlement to accrued holiday pay on termination of employment.
- *The employee's job title or a brief description of the work.*
- *Notice periods.* The length of notice which the employee is obliged to give and entitled to receive to terminate the Contract must be given. Where the employee is not intended to be permanent the contract must specify the period for which the contract is expected to continue, or if it is for a fixed term, the date when it is to end.
- *Place of work.* Where the employee is required or permitted to work at various places, an indication of that fact and of the address must be given in the Contract.
- *A note stating whether there is a contracting-out certificate in force under the Pension Schemes Act 1993.*
- *Certain information on disciplinary and grievance procedures.* The Contract must include a note specifying the following:
 - a person to whom the employee can appeal if he is dissatisfied with any disciplinary decision relating to him or any decision to dismiss him; and
 - a person to whom the employee can apply for the purpose of seeking redress of any grievance relating to the employment and the manner in which any such application should be made.

The Contract should also refer to the place where the full disciplinary and grievance procedures can be found e.g. Employee Handbook.

For more information about employment contracts please contact us on 01646 683222.