

CONTRACTS OF EMPLOYMENT



A Contract of Employment is a legally binding agreement between the employer and their employee. The contract as a whole is the collective of a number of legally binding documents (see below). You should provide full and clear terms to avoid ambiguity and disputes.

All clauses must be in line with Employment Law. You cannot contract out of statutory rights.

What you need to know...

A contract of employment as a whole is the collective of:

- Written Statement of Employment Terms
- Any contractual provisions of the Employee Handbook
- Any other contractual terms, including implied terms (those not explicitly stated), offer letters, side agreements, addendums

Three categories of statements of main employment terms



1. PERMANENT

- A contract whereby an individual is employed until either the employer or employee terminates the employment. This could be on a full-time or part-time basis.



2. FIXED TERM (FTC)

- A contract terminating at the end of a specific time period, the occurrence or non-occurrence of a specific event, or the completion of a specific event/project.
- FTC employees will be entitled to statutory holidays.
- If the FTC is for four weeks or less, but extends to 13 weeks or more, statutory minimum periods of notice will apply.
- FTC's separated by periods of less than 26 weeks will aggregate for continuous service purposes.
- The non-renewal of a FTC may lead to a claim of unfair dismissal.



3. VARIABLE

- A contract used when there is a mutually agreed core amount of work offered and worked, but with flexibility to vary hours from week to week.
- The Contract would state a mutual agreement of minimum and maximum hours per week.

In all three categories, the effective date of termination is the date upon which the notice or contract expires.

Zero hours agreements

- This is not a contract of employment, but a formal agreement between an individual and a company to offer and accept work, with no guarantee of work and no regular working hours.
- The individual is free to accept, or decline offers of work, and the company has no obligation to offer such individual work.
- There is no statutory right in Jersey to specific working hours or guaranteed work. This means businesses can offer more flexible agreements to suit both the business and the worker.

What you need to do...

- Under Employment Law (Jersey) 2003, a Written Statements of Employment Terms must be given to the employee within 4 weeks of them starting work.
- Changes to the terms of the Contract must be notified in writing no later than 4 weeks after the change.
- If the name or identity of the employer changes, the employer must notify the employee in writing immediately.
- Varying Contracts needs to be by mutual agreement and therefore you need to consult and provide a minimum of 4 weeks' notice to do so.

Clauses that must be included in a written statement of terms

- Name and address of employer and employee.
- Start date of contract and continuous employment date.
- Job title.
- Pay details - current pay rate, overtime rates, method of payment, frequency of pay.
- Normal hours of work and overtime conditions.
- Notice periods of termination - given by the employee and the employer.
- Place or places of work.
- Holiday entitlement - annual and public holiday details.
- Sickness or injury details - such as sickness pay.
- Family friendly terms.
- Redundancy terms, even if just statutory.
- Reference to non-contractual disciplinary and grievance procedures.
- Pension terms, even if none.
- If any collective agreement exists.

Suggested clauses to protect the employer

- Restrictive covenants.
- Confidentiality and intellectual property.
- Garden leave and payment in lieu of notice.
- Provisions regarding parental and other paid and unpaid leave.
- Sickness, lateness and absence rules.
- Other employment or directorships.
- Conflicts of interest.
- Equal opportunities, discrimination, bullying and harassment.
- Smoking.
- Right of search and/or CCTV.
- Criminal records.
- And any other clauses that are specific and relevant to your business.

Notice periods

Depending on the employee's length of service the employer must give:

- **One week's** notice if continuous employment is less than 2 years;
- **Two weeks'** notice if continuous employment is between 2 and 3 years;
- plus one week's notice for each year's continuous service up to a maximum of 12 weeks.



How can contracts be changed?

- By agreement between both parties (e.g. through consultation and mutuality)
- Through a collective agreement with the recognised union(s).
- Through an existing term which allows for change in working conditions.
- By giving notice of the change of contract terms, setting out any changes in writing, this should be given to the employee within four weeks of the change.

If you make a change to a contract without following the above, this could be a breach of contract and could lead to a £10,000 fine.

if you'd like to know more call 747559 and let's chat!