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Employment Contract

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Contract of Employment or Statement of Terms and Conditions of Employment

The statement of Terms and Conditions of Employment or Contract of Employment is the single most important part of an employer's relationship with his/her employees. If it is written properly and updated regularly it should protect you from the unpleasant and potentially very costly experience of going to an Employment Tribunal.

Contents

A contract of employment (more correctly known as the terms and conditions of employment) needs to contain the following information:-

1. Name & address of the employer
2. Name & address of the employee
3. Date the employment started
4. Date of issue of this statement
5. Place of work
6. Hours of work
7. Pay or salary
8. Overtime rules & pay
9. Regularity of payment, eg weekly, monthly
10. Holiday pay and entitlement
11. Sickness pay and rules
12. Pension rights
13. Termination notice
14. Rules
15. Disciplinary procedure
16. Appeal procedure
17. Grievance Procedure
18. Whether a company vehicle is provided and the rules of provision
19. Retirement procedure
20. Intellectual rights
21. Restrictive clauses

The most important part of any contract is the Disputes Procedure, which usually appears under Appeals Procedure and Grievance Procedure in the contract.

Please read these comments carefully.

Most dispute procedures are written based on the ACAS guidance only; we do not think this is adequate to prevent Tribunal claims as is evident from the number of claims filed, which continues to rise year on year.

In any dispute in any situation, if the chairperson was appointed by one of the parties involved in the dispute then it is highly likely that the other party would consider the proceeding biased. However in most contracts of employment, and in the ACAS best practice, the management of a company is expected to find the chairperson for such hearings. We therefore feel it is not surprising that the employees file for Tribunal, shouting "FOUL" or "BIASED". We believe that every employer should set up a link with an individual or organisation to provide as independent a chairperson as possible, or at least an independent person's report or view on the situation prior to the appeal hearing. We have proof that, where this is the case, the number of Employment Tribunal claims drops dramatically. HR4UK.com uses Staff Dispute Resolution UK for this purpose, details on www.staff-dispute-resolution-uk.org or by ringing 01455 444222.

a contract compiled through HR4UK.com.

The most suitable approach for you is dependent upon what you want to achieve and how much protection and peace of mind you need.

A template style contract from the Internet

This is the cheapest option, but also the most risky. You fill in the template yourself with any specific terms and conditions. Some contracts are provided free of charge (e.g. ACAS website).

However the contract is only as good as the information you insert in the boxes and mistakes are easily made, potentially leading to an Employment Tribunal. Also if the law changes, as it so often does, then the contract can become out of date without your even realising.

A standard contract from the Internet or from a software system

A contract is generated according to the information you provide on the enquiry form. This is a standard contract with some adjustments and has much the same limitations as a template type contract, except that some providers offer telephone advice to help ensure you fill in the forms correctly. If you pay a retainer the company concerned may send you updating information.

However this is a still just a standard contract with some adjustments according to the information you have provided; it is not tailored specifically for your business needs. Also there is no point in opting for an updating service unless you are happy to spend time reading the information supplied and subsequently carrying out any updates recommended.

A contract compiled by a consultant or other reputable company

The person or company who compiles the contract for you is then liable for the accuracy and precision of the wording, which is a great advantage. You can contract with some of these companies to keep you up to date when the law changes and to give you advice when you need it, and even to insure you against Employment Tribunal costs.

However you will still have to carry out any recommended updating and you will usually have to commit to a 3 or 5-year agreement with punitive cancellation fees. These arrangements are usually more expensive than other ways of producing employment contracts.

A contract compiled by a solicitor

A contract drawn up by a solicitor will be tailored to your specific needs and should cover all the possible legal eventualities.

However it may be written in a very legalistic way; it is likely to sound threatening to an employee and it will not describe employee benefits in a motivating manner. Also it will have no updating service and will be fairly expensive. Any follow-up work and updating is usually charged at a high hourly rate.

A contract compiled through HR4UK.com

HR4UK.com provides a simple, best-value contract service that will guarantee your documentation is always up to date and will even insure you against personnel disputes culminating in an Employment Tribunal.

The HR4UK.com personnel system on the Internet creates your personnel files in line with current law and ensures copies of all your documents are filed and regularly updated. Our contract service is truly comprehensive and guaranteed, with the following features:-

- a) it contains a unique dispute procedure developed over 16 years, which has proved extremely successful in preventing 90% of Employment Tribunal claims. This is truly unique - no other company uses this method of preventing and addressing personnel problems.
- b) It automatically updates your contracts when the law changes.
- c) It provides you with automated reminders for certain actions - which might otherwise be forgotten - for example appraisals.
- d) It covers legal and awards costs at Employment Tribunal; our system includes an insurance to cover these costs.
- e) It does NOT contain any long-term agreements; you can cancel at any time with no cancellation fee.

This service is the next best thing to your own HR person in-house. Probably better, as it never goes on holiday or makes mistakes!

