



creative leadership

talent management

What to do when taking on a new Employee

When you offer a candidate a job as an employee, you should provide them with a Contract of Employment including written statements of the particulars of their job.

What is an employment contract?

An employment contract, or 'contract of employment', is an agreement between an employer and an employee which sets out their employment rights, responsibilities and duties. These are called the 'terms' of the contract.

The employment contract is made as soon as the candidate accepts a job offer and doesn't have to be in writing. If a candidate starts work without a contract or written particulars then it means they accept the terms offered by the employer, even if they don't know what they are. Employees who have been working for you for a month or more are entitled to this by law and certainly within the first two months of working for you. Having a written contract could cut out disputes with your employer at a later date.

You and your employee are bound to the employment contract until it ends (usually by giving notice) or until the terms are changed (usually in an agreement between you and your employee)

The following clauses are required to be given to employees within their first two months of employment and are often referred to as The Principal Statement.

Key HR Info as at November 2009:

National Minimum Wage	£5.80
Holiday entitlement	5.6 weeks pro-rata/28 days
Statutory Sick Pay	£79.15 per wk
NI lower earnings limit	£95
Statutory Maternity Pay	90% for 6 wks then £123.06 per wk for 33 weeks

The Principal Statement

Your name & the full name of the Employee

Your details and the employee's full name and address.

Job Title

This usually follows the Role Profile specified in any recruitment

Employment Start Date

This forms the basis for which length of service with your business is calculated and is important for holiday calculation, redundancy etc.

Salary or Pay rate

This details your employee's gross salary or pay before tax, national insurance and any deductions. It also specifies when and how payment is made.

Type of Contract

Here you list whether the contract is permanent or for a fixed term and if fixed, how long this will go on for.

Holiday Entitlement

This allows you to specify the number of days per year that an employee can take, and whether bank and public holidays are included or excluded from this.

Hours of Work

Here you state the hours of work the employee will be working and also where they agree to work additional ad hoc hours if you reasonably request it.

The Employees Regular Place of Work

This allows you to specify the location where the employee will work. You can specify more than one place of work if you are based in more than one place.

Sickness Arrangements**

This outlines an employees entitlement to sick pay including entitlement to receive statutory or contractual sick pay.

Pension and Pension Scheme Arrangements**

For employees of more than 5 employees this should state whether the employee will be included within the employer's company pension scheme, a stakeholder pension scheme or whether the employment comes without a pension provision.

Notice Requirements

The notice period to be given by either the employer or the employee.

Disciplinary & Grievance procedures**

How to raise a grievance, what will happen if you are taken through a disciplinary process and how to appeal.

** You don't have to go into full details here, however you are required to provide the employee with details of where they can find this out easily

Collective Agreements

This explains whether the employee works under any pre-agreed methods of working, usually created by Unions

Other info

In addition to the above legally required information, there is additional information that we feel you might wish to include which may help with situations that could arise in the future:

Overtime arrangements

Clarifying when and how this is paid, and only with prior consent of Line Manager

Bank Holiday working

This details whether the employee is or isn't required to work them, and how they will be reimbursed

Compulsory holiday periods

Where you indicate if you intend to shut down over Summer/Christmas and their requirement to take holiday (or not) during this time.

Overpayments/deductions

This clause details all the circumstances in which you can make deductions from the employee's salary.

Expenses

Where you outline with the employee which work-related expenses you will cover and when the employee will be reimbursed.

Medical status

Where you ask to be kept fully informed of any changes to the employee's health

Health & Safety

How you manage Health and Safety, referring to your handbook

Retirement

Where you outline the employee's contractual retirement age and also refers to your Retirement.

Other Employment

Outlining what the Employee should do if they have a second job and essential to ensure there is no conflict of interest.

Confidentiality

Ensuring your employee keeps what they learn about your work confidential

Intellectual Property

Particularly useful if your employee is writing or producing things on your behalf. This ensures they don't run off with your best secrets.

Restrictive Covenants

This is a preventative measure that stops an employee from setting up a competing business, for a set period of time and within a defined geographical area once they have left. You may also include details around what happens if the employee entices clients/employees to leave your business, and an entitlement to seek legal redress, including damages for any loss.

Short-time working/temporary lay-offs

What to do in times of business difficulties

Probationary Period

You can specify a trial period and if the employee does not fulfil expectations, you can also extend the trial period.

Data Protection

Explaining what will be kept on file

Working Time opt-out

Working hours cannot exceed 48 hours per week as specified by the Working Time Regulations, unless the employee has signed this voluntary opt-out from the Regulations.

Company Vehicle, Mobile or Laptop

This explains that they remain the property of the company

Working away from home

And what their requirements are

Other benefits

Detailing items such as childcare vouchers, cycle to work schemes etc.

Severability

This standard paragraph states that each paragraph, sub-paragraph or clause is independent of each other, so if one is invalid or does not apply to the employee the rest of the contract remains valid.

Prior Agreements

Another standard paragraph, stating that the employment contract contains all the terms agreed between the employer and the employee and that no previous agreement (written or verbal) counts.

Your Offer Letter

More of a promotional document for the employee – this outlines the job offer details and that it's made subject to receiving satisfactory references,

completion of medical questionnaire (if relevant) and evidence of the right to work in the UK.

Other Relevant Policies

These other policies may or may not be relevant to your business however we recommend their inclusion:

Alcohol & Drugs	Mobile phones
Attendance & Time-keeping	Notice
Bullying & Harassment	Redundancy incl. short-time
Computer Usage	working & temporary layoffs
Company Equipment	Retirement Policy
Disciplinary Policy	Right of Search
Driving	Sickness Procedure
Equal Opportunities	Security
Family-Friendly Policies	Smoking
Grievance Procedure	Training and Development
Health & Safety including Lone	Whistle-blowing
Working	Working on Customer Premises
Holidays and Leave (comp-	Working Time Regulations
assionate, public duties, etc.)	