

Employment Law Fact Sheet No. 4

CONTRACTS OF EMPLOYMENT



The Contract

The employment contract is the employee/worker's agreement to work in return for payment.

The contract is in force when the employee or worker accepts an offer of employment. This leads to a number of rights and obligations.

The rights and obligations

The usual statutory rights will apply subject to applicable qualifying periods (e.g. the right not be unfairly dismissed). Specific terms may have also been agreed (e.g. rates of pay, any contractual benefits).

The existence of a contract of employment will automatically lead to further obligations such as:

- The duty of each party to maintain trust and confidence;
- The duty of each party to act in good faith; and
- The duty to take reasonable care and ensure health and safety in the workplace.

The Written Statement of Terms

A contract of employment need not be in writing. However, by law an employer must provide to an employee or work era written statement of the main terms of the contract, this is a **day one** right. The following details must be included:

- Employer's or worker's name
- Employee's name
- Job title/brief description
- Date employment began
- Place of work and address of employer
- Hours of work
- Holiday pay entitlement
- Sick pay arrangements
- Pension arrangements
- Notice periods
- Grievance and appeal arrangements
- Disciplinary rules and any disciplinary or dismissal procedures.

Practically, this information is often provided in the Employment Contract. Failure to provide such a statement prior to the first day of starting work can lead to a complaint in the Employment Tribunal.

Part time and fixed term workers

The terms and conditions of the contract of employment must be the same (or the same pro rata) to comparable full time workers and permanent employees.

Any differences in treatment must be objectively justified.

Zero Hours Contracts

A “zero hours contracts” is defined as a contract under which an undertaking to do or perform work is an undertaking to do so on the employer making work or services available to the worker and there is no certainty that any such work or services will be made available. It is not legal to seek to prevent contractually such employees from working for other businesses when you do not require them.

Further Information

For further information please see:

[ACAS: Employment Contracts](#)

The TBA's sample documents, contract of employment, discipline, grievance and termination of employment policies.

Action Points

- Ensure all employees and workers are provided with a written statement of their terms and conditions before day one of the employment.
- Ensure part time and fixed term workers are treated no less favourably than your full time workers.
- Make offers of employment conditional upon entitlement to work in the UK and receipt of references deemed to be satisfactory.

This information and draft documentation is provided by the TBA as a guide to members and does not constitute legal or other professional advice. It is not a substitute for individual legal advice and members are recommended to seek advice on their own circumstances from a specialist employment lawyer. The TBA does not accept liability for any loss sustained by members in reliance on the information published on this website.