

Contracts of Employment

Your Questions Answered

All businesses should make sure that they have good employment contracts - and here is why:

1. They define the working relationship

Employment contracts are vital for defining the legal relationship between an employer and an employee. Having clearly set out terms will let each party know exactly where they stand. They can be used to set out all of the important terms of the working relationship such as:

- how much and when the employee will get paid
- what benefits they are entitled to
- how much holiday the employee gets
- how much notice each party must give to end the contract
- arrangements around sickness and sick pay



They can also include clauses to protect your business, but more of that later.

2. Because it's the law – well sort of!

Although there isn't a legal requirement for employers to give their employees contracts of employment; they do have to give them a written statement of particulars of employment, which is pretty much the same thing.

The statement must set out the main terms of employment including:

- the names of the employer and employee
- the employee's start date
- details of the employee's pay and benefits
- their entitlement to holiday pay, sick pay and pension
- the length of notice the parties have to give to end the contract
- the employee's place of work amongst other things

If you don't supply your employees with written statements of the particulars of employment then they are entitled to apply to an employment tribunal for it to determine what the employee's terms and conditions are. An employee may also get an addition 2-4 weeks' pay if they succeed in a claim in an employment tribunal.

3. To protect your confidential information

If your employees handle sensitive and confidential information then it makes real sense for you to protect that information by including appropriate clauses in your contracts of employment. You can make it clear that employees must not share information about your business on social



media and that they must not disclose any commercial secrets during or after they leave you.

4. To protect your business!

Given that you may have spent years building up your business with all its contacts and goodwill, you will probably want to protect it.

The only way that you can stop an employee coming in to your business and then taking your customers, suppliers and employees with them when they leave is to have properly drafted post-termination clauses (often known as restrictive covenants).

These post-termination clauses can prevent ex-employees: trading in competition with you, soliciting and dealing with your customers and suppliers and employing your other employees in their business.



They are essential to protect your but they must be very carefully drafted to be of any use. If you don't have them properly tailored to your needs, then they will probably not be enforceable.



I cannot stress this enough, if you really want to ensure that you still have a business, make sure you get carefully drafted restrictive covenants in your employment contracts!

For more information please visit www.kerseys.co.uk