

CONTRACTS OF EMPLOYMENT

WHAT YOU NEED TO KNOW

A Contract of Employment consists of the written terms of how the employee-employer relationship will operate, along with expected duties from both parts. You should provide a full and clear contract to avoid ambiguity and disputes. All clauses must be in line with Employment Law, as you cannot contract out an employee's statutory rights.

Written Statements of Employment Terms generally fall into three categories:

1. PERMANENT

- A contract whereby an individual is employed until either the employer or employee terminates the employment.

2. FIXED TERM

- A contract terminating at:
 - the end of a specific time period e.g. six months or a specific date;
 - the occurrence or non-occurrence of a specific event to fairly terminate the Contract e.g. the return to work of an employee on maternity leave, or;
 - the completion of a specific event e.g. the implementation of an IT system.
- FTC employees should be treated equally to permanent employees.
- FTC employees will be entitled to minimum 10 days paid annual leave as well as public and bank holidays, or a day off in lieu if required to work.
- You are not obliged to give FTC employees notice, but it is advised to ensure both parties are clear and to mitigate claims of unfair dismissal.
- If the FTC is for 4 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 effective date of termination is the date upon which the notice expires from either employee or employer or, if the termination occurs without notice, the actual date the termination took place
- The non-renewal of a FTC may lead to a claim of unfair dismissal.

3. VARIABLE

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

Zero Hours Agreements

- This is not a contract of employment, but a formal agreement between an individual and a company to offer work to supply services, but 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.

A Contract of Employment is the collective of the:

1. Written Statement of Employment Terms
2. Contractual provision of the Employee Handbook
3. Any other contractual terms, including implied terms (those not explicitly stated)



WHAT YOU NEED TO DO

- Under Employment Law (Jersey) 2003, amended, Written Statements of Employment Terms must be signed by the employer and given to the employee within 4 weeks of the employee 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.

STATUTORY CLAUSES THAT MUST BE INCLUDED IN A WRITTEN STATEMENT OF CONTRACTUAL 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 employee and 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.
- Disciplinary and grievance procedures.
- Pension terms, even if none.
- If any collective agreement exists.

SUGGESTED PROTECTIVE CLAUSES

- Restrictive covenants.
- Confidentiality and intellectual property.
- Garden leave & payment in lieu of notice.
- Email, internet, social media and system access rules.
- Capability procedures.
- Provisions regarding maternity 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.
- Bonuses, cars and other benefits.
- Criminal records.
- And any other clauses that are specific and relevant to your business.

- Depending on the employee's length of service the employer must give: 1 week's notice if continuous employment is less than 2 years; 2 weeks' notice if continuous employment is between 2 and 3 years; plus 1 week's notice for each year's continuous service up to a maximum of 12 weeks.
- Employees can claim the right to unfair dismissal if they have worked a minimum of 52 weeks continuous service.
- A complaint must be brought to the Tribunal within 8 weeks of the effective date of termination.

HOW CAN CONTRACTS BE CHANGED?

- By agreement between both parties.
- Through a collective agreement.
- 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 4 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.

For further details call 747559 or email becky@hrnow.je

