

EMPLOYMENT CONTRACTS

Guidance Note

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As of 6th April 2020, you must provide your employees with a written statement outlining the main terms of their employment on, or before, day one of their employment.

Often, people will refer to this as the contract of employment, but legally the contract of employment is much wider and includes, for example, the additional policies and procedures set out in the employee handbook, your custom and practice, etc.

When preparing the written statement of main terms, you must first establish the length, or continuity, of the engagement you wish to offer. There are three main options, which are as follows:

Permanent	This term can be used to describe the standard contractual arrangements under which most employees are typically engaged where the employment is intended to be indefinite.
Fixed Term	A fixed-term contract is one that ends on a specified date that is known from the outset, or due to a particular event such as a period of funding coming to an end, or the completion of a project.
Temporary	When there is no expectation of permanence but where the termination date or the event on which the employment will terminate is not specified (i.e. where it is not a fixed-term contract as above). For example, often used to cover a period of maternity or sickness where the contract will come to an end on the return of the original post holder.

When you have established the length of the contract you will then need to give consideration to what working pattern you are asking the individual to agree to. For example, you could engage with an individual under the following conditions:

Full Time	The employee is contracted to work a full working week. What is considered full time will vary depending on the organisation, but generally this is considered to be 35+ hours per week.
Part Time	The employee is contracted to work for fewer hours than the employer's normal full-time hours. Employers may find this useful if the duties of the job in question are insufficient to justify a full-time worker. Some part-time contracts are a result of an employee making a successful flexible working request, or they may be negotiated as an alternative to redundancy.
Variable	To be used when there is an ongoing requirement for work, meaning the employee will be working week to week, but it cannot be determined how much work will be available specifically. This means the employee's working hours will fluctuate. Often variable hours contracts will provide a minimum number of hours that will be guaranteed each week.

GET IN TOUCH

If you have any questions, or would like further support, please get in touch with Katie Dunn or Katie Bremner by calling 0141 221 2984 or by email clubshr@aab.uk.

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Zero Hours	Casual contracts and zero hours contracts are agreements under which individuals are not contracted to work from week to week. They are paid only for the hours actually worked. These types of contract are typically used by employers where the demand for work is unpredictable and fluctuating, for example in industries such as agriculture, hospitality and care (e.g. "bank" nursing staff).
Annualised	This is where the employee agrees to work for a specified number of hours a year. Annual hours contracts afford employers considerable flexibility in how they schedule work and reduce the need to make overtime payments. They can give employees a degree of freedom to have lengthy work-free periods to pursue other interests.
Term Time	Under a term-time only contract, the employee works only during the periods that coincide with school terms and is not required to work during school holidays. Term-time only contracts are common in the education sector. A typical reason for employees to choose to work term time only is so that they can meet childcare demands.

You may also wish to consider the options in regards to alternative types of engagement outlined below:

Apprentice	Apprentices require a specific contract which outlines clear training obligations, often funding is available to support an organisation in the training of such individuals. Apprenticeship contracts impose a heavy training duty on employers, and apprentices are more difficult to dismiss than other staff.
Voluntary	Volunteers are individuals who offer their skills or labour to an organisation in return for no payment. It is important that there is a clear agreement in place as the risk here is that the individual tries to claim they should be considered an employee.

If you have any questions then you can discuss the individual requirements of your organisation with us and we can assist in preparing an appropriate written statement of main terms for your employees.

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