

Where can I get more information?

Acas advisory handbooks *The A to Z of Work*; *Employing people: a handbook for small firms*; and *Discipline and grievances at work*; also Acas advisory leaflet *Varying a contract of employment* and Acas Self Help Guide *Producing a written statement* – to order, call Acas Publications on 08702 42 90 90 or order online at www.acas.org.uk.

DTI Employment Legislation leaflet PL700 *Written Statement of Employment Particulars*
DTI *Factsheets for small firms* – to order visit www.dti.gov.uk/publications.

Acas runs charged training for small firms and has a national helpline – 08457 47 47 47 – which gives free advice on employment matters.

This information is intended to be a brief introduction to the subject. Legal information is provided for guidance only and should not be regarded as an authoritative statement of the law.

Acas can help with your employment relations needs

We inform

We answer your questions, give you the facts you need and talk through your options. You can then make informed decisions. Contact us to keep on top of what employment rights legislation means in practice – before it gets on top of you. Call our helpline 08457 47 47 47 or visit our website www.acas.org.uk.

We advise and guide

We give you practical know-how on setting up and keeping good relations in your organisation. Look at our publications on the website or ask our helpline to put you in touch with your local Acas adviser. Our Equality Direct helpline 08456 00 34 44 advises on equality issues, such as discrimination.

We train

From a two-hour session on the key points of new legislation or employing people to courses specially designed for people in your organisation, we offer training to suit you. Look on the website for what is coming up in your area and to book a place or talk to your local Acas office about our tailored services.

We work with you

We offer hands-on practical help and support to tackle issues in your business with you. This might be through one of our well-known problem-solving services. Or a programme we have worked out together to put your business firmly on track for effective employment relations. You will meet your Acas adviser and discuss exactly what is needed before giving any go-ahead.

Contracts of employment

terms imposed
by law
written statements
agreement
itemised pay
statements
contract
conditions of
employment

What if I get it wrong?

Confusion can lead to friction, misunderstandings and claims to civil courts, or to employment tribunals for breach of contract.

Employees who consider their contracts have been terminated unfairly may apply to a tribunal claiming they have been unfairly dismissed.

If you fail to give the required notice, the employee can make a claim to the courts or to an employment tribunal for damages for wrongful dismissal.

Where the employee leaves without giving the required notice, you have a similar right to claim damages.

If you impose change, employees could claim damages in the civil courts or resign and claim constructive dismissal before an employment tribunal.

What are the legal requirements?

A contract is a legally binding agreement between you and your employee, which is formed when the employee agrees to work for you for pay. The contract is made up of both oral and written agreements which may include:

- **express** terms which are terms explicitly agreed;
- **implied** terms, which may include:
 - terms that are too obvious to mention (eg that the employee will not steal from the employer);
 - those necessary to make the contract workable

(eg that a person employed as a driver must have a current driving licence) – although it is often better to write down such terms in any case; or

– those that are the custom and practice of the industry.

- terms **incorporated** into individual contracts by reference to other documents, such as company handbooks or collective agreements with trade unions;
- terms imposed by **law** (for example the right not to be discriminated against on the grounds of sex, race, disability, sexual orientation, religion or belief); maternity pay; pay for lay-offs; pay for medical or maternity suspension.

You are not required to set out in writing all the terms of the contract but you must provide the employee with written details of his or her main terms and conditions of employment within two months of that person starting work. The terms and conditions you are required to put in writing are set out in the DTI Booklet *Written Statement of Employment Particulars* available at www.dti.gov.uk/publications.

As a general rule, alterations to the contract can only be made with the agreement of both parties either verbally or in writing.

- Changes can also be agreed through collective agreements such as those between employers and employees or their representatives or through a term which provides for variation in the contract – for example, a clause which requires an employee to carry out a range of duties.

- You should agree changes wherever possible. If you impose change, employees could claim damages in the civil courts or resign and claim constructive dismissal before an employment tribunal.

A contract can be terminated:

- by mutual agreement or by the employer or employee giving the required notice of termination. There are certain minimum periods of termination (for example, after one month employees are entitled to one week's notice for the first two years in their job).

How do I get it right?

- ✓ Agree terms and any subsequent changes with employees.
- ✓ Issue employees with a written statement setting out the main terms and conditions of their employment within two months of them starting work.
- ✓ Remember if you terminate a contract you must give at least the statutory minimum notice period or the notice period agreed in the contract if this is more.
- ✓ Put as much as possible in writing to avoid confusion.
- ✓ If unsure, seek advice.