



HOW TO DRAW UP AN EMPLOYMENT CONTRACT

Action List

1. Look for **samples** of written statements and contracts: contact Acas or your trade association, or ask similar businesses you know.
2. Decide the **basic terms** for the written statement: for example, pay, working hours, holidays and notice periods.
3. Decide whether the job is permanent and whether you want to include a **probationary period**.
4. Consider which areas may need **flexibility**: for example, the employee's job title and role, and place of work.
5. Clarify any areas which you want to be **non-contractual**, such as discretionary bonuses.
6. Draw up the **written statement**; ensure that you have included all the legally required information.
7. Ensure that any **other documents** you refer to in the written statement are readily accessible (eg disciplinary and grievance procedures and information on company pension schemes).
8. Review the job and any **problems** you have experienced with employees and ex-employees in the past.
9. Decide whether there are any **requirements** for the employee (eg to hold or achieve a professional qualification or a driving licence).
10. Identify any **other concerns**: for example, confidentiality, intellectual property or the potential for ex-employees to compete with you.

11. **Draw up** a clear contract; include the written statement and extra clauses to cover the additional contractual elements you want to include.
12. Ensure that the contract is not discriminatory, does not override employee's statutory rights and is **legally enforceable**.
13. Take **legal advice** as necessary, particularly if the contract attempts to restrict employees after they leave your employment.
14. Give each employee their employment contract **within two months** of commencing their employment.
15. Explain the contract and its significance to the employee; **agree** the contract, and ask the employee to sign a copy.

Cardinal Rules

Do:

- find out the legal requirements for the **written statement**
- identify **key issues** and areas of concern
- ensure that the contract is **clear** and achieves your objectives
- take **legal advice** as necessary
- give employees a written contract within **two months** of starting work
- get the employee to **agree** and sign the written contract

Don't:

- restrict your **flexibility**
- include **legally unenforceable** clauses

Contact:

- Acas, 08457 47 47 47, www.acas.org.uk

- The Department for Business, Enterprise & Regulatory Reform,
www.berr.gov.uk/employment

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