

Contracts of employment

ALL EMPLOYEES HAVE an employment contract with their employer. A contract is an agreement that sets out an employee's:

- **employment conditions**
- **rights**
- **responsibilities**
- **duties**

These are called the 'terms' of the contract.

Employees and employers must stick to a contract until it ends (eg by an employer or employee giving notice or an employee being dismissed) or until the terms are changed (usually by agreement between the employee and employer).

As soon as someone accepts a job offer they have a contract with their employer. An employment contract doesn't have to be written down but an employer must give employees a 'written statement of employment particulars' if their employment contract lasts at least a month or more. This isn't an employment contract but will include the main conditions of employment.

Written statement of employment particulars

The employer must provide the written statement within 2 months of the start of employment.

A written statement can be made up of more than one document (if the employer gives employees different sections of their statement at different times). If this does happen, one of the documents (called the 'principal statement') must include at least:

- **the business's name**
- **the employee's name, job title or a description of work and start date**

Legal disclaimer

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- **if a previous job counts towards a period of continuous employment, the date the period started**
- **how much and how often an employee will get paid**
- **hours of work (and if employees will have to work Sundays, nights or overtime)**
- **holiday entitlement (and if that includes public holidays)**
- **where an employee will be working and whether they might have to relocate**
- **if an employee works in different places, where these will be and what the employer's address is**

As well as the principal statement, a written statement must also contain information about:

- **how long a temporary job is expected to last**
- **the end date of a fixed-term contract**
- **notice periods**
- **collective agreements**
- **pensions**
- **who to go to with a grievance**
- **how to complain about how a grievance is handled**
- **how to complain about a disciplinary or dismissal decision**

The written statement doesn't need to cover the following (but it must say where the information can be found):

- **sick pay and procedures**
- **disciplinary and dismissal procedures**
- **grievance procedures**

The legal parts of a contract are known as 'terms'. An employer should make clear which parts of a contract are legally binding.

Contract terms could be:

- **in a written contract, or similar document like a written statement of employment**
- **verbally agreed**
- **in an employee handbook or on a company notice board**
- **in an offer letter from the employer**
- **required by law**

- **in collective agreements - negotiated agreements between employers and trade unions**
- **implied terms - automatically part of a contract even if they're not written down**

Implied terms

If there's nothing clearly agreed between you and your employer about a particular issue, it may be covered by an implied term - for example:

- **employees not stealing from their employer**
- **your employer providing a safe and secure working environment**
- **a legal requirement like the right to a minimum of 5.6 weeks' paid holidays**
- **something necessary to do the job like a driver having a valid licence**
- **something that's been done regularly in a company over a long time like paying a Christmas bonus**

Collective agreements

An employer may have an agreement with UNISON that allows negotiations of terms and conditions like pay or working hours. This is called a collective agreement.

The terms of the agreement could include:

- **how negotiations will be organised**
- **who will represent employees**
- **which employees are covered by the agreement**
- **which terms and conditions the agreement will cover**

Changing an employment contract

An employee's agreement is needed to change their contract.

The employer should:

- **consult or negotiate with employees or their trade union**
- **explain the reasons for changes**
- **listen to alternative ideas from employees**

Flexibility clauses

Flexibility clauses are terms in a contract that give employers the right to change some conditions of employment, eg relocation.

Employers can only use flexibility clauses to make reasonable changes.

Making a change without agreement

If an employer makes a change to a contract without getting agreement (including by using flexibility clauses unreasonably), employees may:

- **have the right to refuse to work under the new conditions**
- **say that they're working any new terms under protest, and are treating the change as a breach of contract**

If an employee disagrees with new terms and conditions but doesn't say or do anything, this may count as agreeing to the changes.

Re-employment on new terms and conditions

Employers may, as a last resort, end a contract and re-employ someone on new terms and conditions.

Employers who are dismissing employees must follow the legally required redundancy procedure in England, Wales and Scotland