

## Desktop Guide to HR - Employment Contracts

### What Is An Employment Contract?

An employment contract, or 'contract of employment', is an agreement between an employer and an employee which sets out their employment rights, responsibilities and duties (the 'terms' of the contract).

And crucially, this doesn't have to be set out in writing - all employees are deemed to have a contract with their employer, whether it's been written down, agreed over a handshake or simply taken for granted.

The employment contract is made as soon as a job offer is accepted, and you must provide every employee who will be working for more than one month with a written statement of their main employment terms within two months of starting work (even if they will be working for less than two months).

Both employee and employer are bound to the employment contract until it ends (usually by giving notice) or until the terms are changed (usually in an agreement between employee and employer).

### Do I Need a Written Contract of Employment?

With all of the above in mind, we **strongly** recommend that you set out the terms of employment you're offering your employee in a formal written contract of employment.

This makes sure that your employees have a clear understanding of both your expectations and their entitlements - and makes sure there are no misunderstandings or disagreements at a future date.

And crucially, a written contract of employment stops a court or tribunal making its own decisions about your business in the event of a disagreement with an employee - and could even save you from the time, expense and distress of facing legal action in the first place.

### --- PLEASE NOTE ---

The information set out in this document is correct at 1<sup>st</sup> May 2011. As the legislation that applies in this article/document is general in its context, your specific circumstances may require tailored advice for it to be effective. If in doubt, contact Crispin Rhodes on 01908 230969 or email [angela@crispinrhodes.co.uk](mailto:angela@crispinrhodes.co.uk)