



# Contracts of Employment & Staff Handbooks

## What is a Contract of Employment?

A contract of employment is the agreement between the employer and the employee which governs their relationship.

## Do I Need a Written Contract?

It isn't necessary to have a written contract to evidence the agreement between an employer and an employee. However the Employment Rights Act 1996 does state that it is a requirement that an employer provide an employee with a statement of their main terms and conditions of employment. The statement is not conclusive evidence of the contract of employment, but it must cover the following:

- The name of the employer and the employee
- The date the employment began
- The date the continuous employment with the employer began
- The scale or rate of pay, the method of calculating pay and the intervals at which an employee will be paid
- The hours of work
- The place of work
- Any terms relating to holiday entitlement and the accrual of holiday
- Any terms relating to incapacity and entitlement to sick pay
- The length of notice each party must give to terminate the contract
- The job title or a brief description of the work to be carried out by the employee
- Whether any collective agreements apply to the employee
- The employer's disciplinary and grievance rules
- Any terms relating to the provision of a pension by the employer
- If the contract isn't permanent then it should specify the period for which it is expected to continue



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The statement must be given to the employee within 2 months of them commencing employment with the employer and notification of any changes must be given to the employee within 1 month. An employee can complain to an employment tribunal if an employer fails to provide them with a statement of main terms and conditions.

The statement can cover other issues which an employer may wish to include such as the right to put the employee on garden leave or pay them in lieu of notice rather than having them work the notice. This is why many employers choose to have formal contracts so that they can ensure that they do not only comply with their obligations under the Employment Rights Act 1996, but also ensure that they and the employee understand the nature of their relationship and their obligations to one another.

Any ambiguity can lead to misunderstanding and disputes and it is therefore advisable for both the employer and the employee to give careful consideration to the terms which will apply to the employment relationship and to record these in writing.

## What is a Staff Handbook?

A staff handbook is a written document which details working practices, expectations and procedures which an employer may expect an employee to comply with. It can cover lots of issues specifically tailored to an employer's business, such as equal opportunities, family friendly rights and guidelines for the use of motor vehicles.

A staff handbook will also avoid any misunderstandings and ambiguity arising and properly enforced and monitored will ensure that policies and working practices are being applied consistently

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