

Part of
Employ someone: step by step (<https://www.gov.uk/employ-someone>)

Employment contracts

1. Overview

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 (for example, 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).

If a person has an agreement to do some work for someone (like paint their house), this isn't an employment contract but a 'contract to provide services'.

Accepting a contract

As soon as someone accepts a job offer they have a contract with their employer. An employment contract does not have to be written down.

2. Contract terms

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 (for example, an employer must pay employees at least the National Minimum Wage)
- in collective agreements (<https://www.gov.uk/employment-contracts-and-conditions/collective-agreements>) - negotiated agreements between employers and trade unions or staff associations
- 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

3. Collective agreements

An employer may have an agreement with employees' representatives (from trade unions or staff associations) 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

4. Written statement of employment particulars

An employer must give employees and workers (<https://www.gov.uk/employment-status/worker>) a document stating the main conditions of employment when they start work. This is known as a 'written statement of employment particulars'. It is not an employment contract.

The written statement is made up of:

- the main document (known as a 'principal statement')
- a wider written statement

The employer must provide the principal statement on the first day of employment and the wider written statement within 2 months of the start of employment.

Employers must tell employees or workers about any changes to the written statement. They must do this within one month of making the change.

There are special rules for agencies on documents that they need to provide to agency workers (<https://www.gov.uk/agency-workers-your-rights/basic-information-you-should-receive>).

The principal statement

The principal statement must include at least:

- the employer's name
- the employee's or worker's name, job title or a description of work and start date
- how much and how often an employee or worker will get paid
- hours and days of work and if and how they may vary (also if employees or workers will have to work Sundays (<https://www.gov.uk/sunday-working>), nights (<https://www.gov.uk/night-working-hours>) or overtime (<https://www.gov.uk/overtime-your-rights/overview>))
- holiday entitlement (<https://www.gov.uk/holiday-entitlement-rights>) (and if that includes public holidays)
- where an employee or worker will be working and whether they might have to relocate (<https://www.gov.uk/employer-relocation-your-rights>)
- if an employee or worker works in different places, where these will be and what the employer's address is
- how long a job is expected to last (and what the end date is if it's a fixed-term contract)

- how long any probation period is and what its conditions are
- any other benefits (for example, childcare vouchers and lunch)
- obligatory training, whether or not this is paid for by the employer

For employees, it must also include the date that a previous job started if it counts towards a period of continuous employment.

Working abroad

If an employee or worker has to work outside the UK for more than a month, the principal statement must also include:

- how long they'll be abroad
- what currency they'll be paid in
- what additional pay or benefits they'll get
- terms relating to their return to the UK

Other information the employer must give on day one

On the first day of employment the employer must also provide the employee or worker with information about:

- sick pay and procedures
- other paid leave (for example, maternity leave and paternity leave)
- notice periods

The employer can choose whether to include this information in the principal statement or provide it in a separate document. If they provide it in a separate document, this must be something that the employee or worker has reasonable access to, such as on the employer's intranet.

The wider written statement

Employers must give employees and workers a wider written statement within 2 months of the start of employment. This must include information about:

- pensions and pension schemes
- collective agreements (<https://www.gov.uk/collective-agreements>)
- any other right to non-compulsory training provided by the employer
- disciplinary and grievance procedures

5. Problems with a written statement

If an employee or worker has a problem receiving their written statement, they can:

1. Try to solve the problem with their employer informally.
2. If this does not work, take out a grievance (<https://www.gov.uk/raise-grievance-at-work>) against their employer (employers can also get advice about handling grievances).
3. Take a case to an employment tribunal (<https://www.gov.uk/employment-tribunals/taking-a-case-to-an-employment-tribunal>) as a last resort.

The tribunal will decide what the employment particulars in the statement should have been.

Compensation

If an employee or worker wins a case about another issue (for example, unauthorised deductions from their wage slip), the tribunal may award compensation if there's been a problem with their written statement as well.

Compensation can be up to 4 weeks' pay although there's a limit on how much a tribunal will award for a week's pay.

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