

Employment contracts: the ultimate guide

Getting your
employment
contracts right

Introduction

Our ultimate guide to employment contracts covers everything you need to know including the types of contracts, what to include and how to manage changes.

We also delve into the impact of remote and hybrid working.

Ultimate guide to employment contracts

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CHAPTER 1

TYPES OF EMPLOYMENT CONTRACT

Worker, employee or contractor?

It is important to first determine whether you require a consultancy agreement, a contract of employment or a contract for a worker, depending on the role you envisage the individual undertaking.

Employees have the most workplace rights and are employed directly by the employer. They are entitled to paid holiday, statutory sick pay and have more legal protection. For example, they would be entitled to a statutory redundancy payment in a redundancy situation and once they have 2 years' service would be protected from unfair dismissal. An employment relationship will usually be appropriate where the staff member is working in a core business activity such as a legal secretary in a law firm or a truck driver in a transport business, and is working regularly for you. Most individuals you engage in the business will usually be employees.

A consultancy agreement is appropriate where you are seeking to engage someone as an independent contractor.

This type of engagement may be suitable where you are looking for someone to provide a service which is not part of your core business (e.g. providing IT support or cleaning services for a dental practice). There is typically a right of substitution so the consultant may provide someone else to provide the same service. You will usually be engaging the consultant's expertise, so they will have a high level of control as to how they provide the service to you and will usually use their own equipment and resources. You will need to assess their status carefully as set out further below.

A worker is a category in between an employee and an independent contractor. Like an employee, they are usually required to provide the work personally to you rather than providing a substitute. However, they typically have more flexibility than an employee as they can refuse offers of work from you. The typical example of a worker is a zero hours worker which we look at further below. Workers are entitled to basic protection, for example, they are entitled to paid holiday and national minimum wage. However, they are not protected from unfair dismissal or entitled to redundancy pay.

Employment contract or service agreement?

Once you have decided to employ the person, you will need to consider whether an employment contract or a service agreement is better in your circumstances. Typically, employees who are also directors will be employed under a service agreement. This document includes additional clauses that are relevant to their positions within the organisation (e.g. clauses that refer to resignation from offices, legislation governing director's duties, higher obligations in relation to confidentiality and business protection etc).

An employment contract is typically used for non-director employees.

You will usually want to have several different templates for contracts of employment depending on the employee's level of seniority and role. For example, it would be common to have a longer notice period for senior employees. You are also likely to need restrictive covenants to protect the business when an employee leaves for senior roles, such as those in sales, which would not be required for more junior roles. Our blog "Protecting your business – how restrictive covenants can help" guides you through how you can use restrictive covenants to protect your business.

Zero hours contracts

Zero hours contracts or casual contracts as they are also known are essentially for on call workers. The employer is not obliged to offer work and the individual is not obliged to accept offers of work. However, the employer may have work available and calls the individual as and when this is the case. If the individual accepts, they work those hours under agreed terms.

Individuals working under zero hours contracts are entitled to the National Minimum Wage and statutory holiday entitlement and pay in the same way as other workers and employees.

Following recent changes, employers engaging zero hours workers cannot prevent those individuals from looking for work or accepting work elsewhere and individuals are entitled to ignore any clauses in their written terms that attempt to prevent this.

Further information regarding zero hours contracts can be found via ACAS.

Contractors and consultants

Many businesses now use self-employed consultants, either engaged as an individual, or via a limited company. It is important that employers carefully consider the status of these consultants and ensure that they have a clear written contract in place, setting out the agreed contractual terms.

Consultants and Contractors engaged via a limited company or intermediary – IR35 Compliance

Broadly speaking, there are three categories of employment status – employee, worker and self-employed. The self-employed include sole traders and those working under a limited company or Personal Services Company.

However, these definitions are not the same in employment law as they are in tax law. Unlike employment law, tax law only recognises two categories – employed and self-employed. Employment status is not a choice, it is determined based on the contract terms and crucially how these operate in practice.

IR35 is aimed at targeting contractors engaged through intermediaries, normally limited companies, where an individual is supplied to the client through a limited company and there is no direct contact between an individual and a client.

At particular risk of IR35 are limited companies which have been set up to provide the services of a single contractor (usually the sole shareholder/director) which are known as Personal Service Companies (PSCs). These individuals are also commonly referred to as “off payroll workers”.

From 6 April 2021 medium and large sized private bodies which engage individual contractors or consultants through intermediaries or PSCs are required to determine their status.

The new rules are complex but essentially the question a company will need to ask, when using a personal service company to provide services to it, is “whether the person working under that arrangement (i.e. the worker) would be regarded as an employee if the services had been provided under a contract agreed directly between the worker and the company”.

In practice, this is likely to prove a tricky task, particularly with work relationships that have factors which both point to and point away from, IR35.

The Government has introduced a self-check tool to help companies with this assessment. Known as CEST (Check Employment Status for Tax) it can be found online and is free to use. However, this tool has limitations. While the CEST tool is a helpful starting point, companies who use PSC's are at risk of penalties if they do not make assessments properly and should always seek professional advice to protect themselves and to sense check the results.

Consultants and Contractors engaged as individuals

IR35 does not apply to consultants and contractors engaged directly as an individual. However, employers still need to carefully consider their status and whether they could argue that they are in fact a worker or an employee, rather than genuinely self-employed.

There have been several key cases in this area over recent years, including the high profile Deliveroo and Uber decisions. For further information on the most recent decisions please see our blog “Uber lose their appeal : The Supreme Court holds that Uber drivers are workers”.

Employers should review their contractual terms with consultants to ensure that these are up to date and protect the employer from potential claims insofar as possible. They should also review their practical arrangements with consultants to ensure that they reflect a genuine self-employed arrangement.

CHAPTER 2

WHAT SHOULD BE INCLUDED IN AN EMPLOYMENT CONTRACT? THE GOOD WORK PLAN

The Good Work Plan introduced changes to the information that employers are required to provide to all employees and workers employed from 6 April 2020 onwards.

From 6 April 2020 employers need to provide a written statement of particulars to all workers (and not just employees). The statement needs to be included in one document (which could be a section 1 statement or an employment contract) and needs to be provided to workers from the day they start employment.

Further information also needs to be given to workers over and above that which was previously required. The particulars cover a number of different working conditions such as:

- outlining working days, whether these can be varied and if so, how they may be varied;
- details of paid leave to which the worker is entitled;
- details of remuneration and benefits;
- probationary period information; and
- whether there are training entitlements provided by the employer, whether there is any mandatory training, and whether the worker must pay for any training themselves.



CHAPTER 3

HOLIDAY ENTITLEMENT

It's important to ensure that all employees are provided at least the statutory minimum holiday entitlement of 5.6 weeks per year, or 28 days for full time employees, including the 8 usual public holidays in England and Wales.

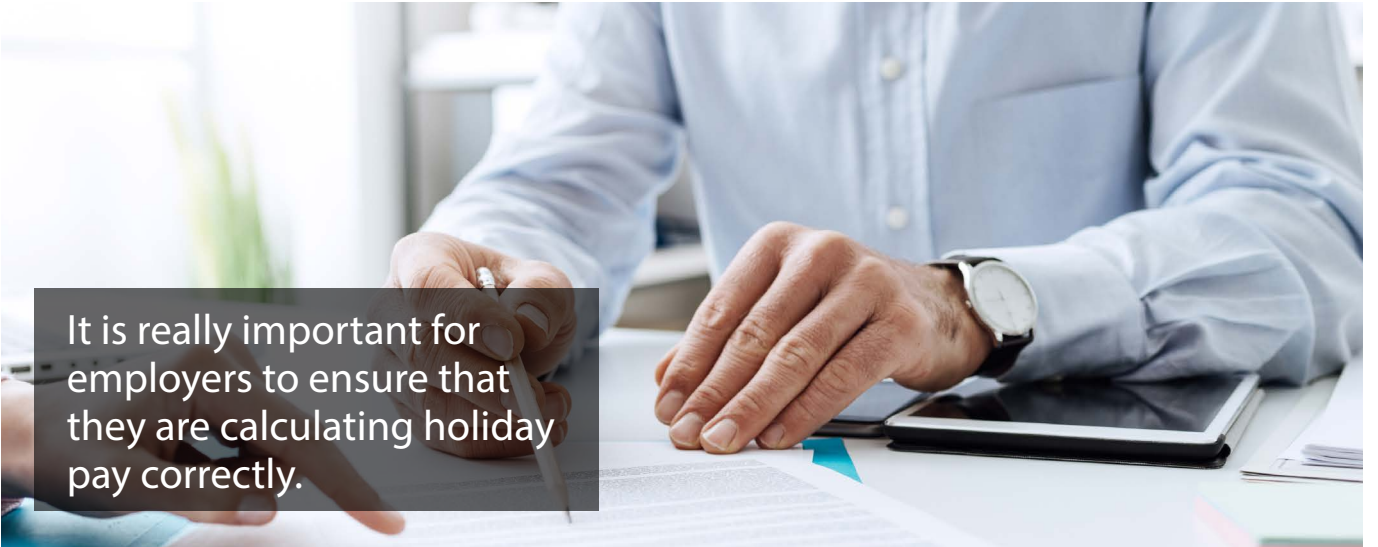
It is also important for employers to ensure that they are calculating holiday pay correctly. Following changes to the law in 2020, employers should now be calculating holiday pay based on the previous 52 weeks' average pay where an employee's pay varies depending on their hours or work done.

This includes where pay varies due to commission, compulsory or regular overtime and standby, call out and other similar payments.

This is based on the idea that a worker should not suffer financially for taking holiday. If you have employees on varying pay it is important to take these payments into account in your holiday payments to avoid liability for underpayments and connected claims. Follow the link to find further guidance as to how to calculate holiday pay.

Holiday entitlement and pay is particularly difficult to calculate and apply in practice for zero hours workers.

The old practice of "rolled up holiday pay" – paying an increased hourly rate to encapsulate an element of holiday pay is now unlawful. Holiday pay should now be paid for the time when annual leave is taken. Government guidance makes it clear that if a current contract still includes rolled-up pay, it needs to be re-negotiated. There is specific guidance for calculating holiday pay for employees without fixed hours or pay.



It is really important for employers to ensure that they are calculating holiday pay correctly.

CHAPTER 4

WHEN SHOULD YOU REVIEW EMPLOYMENT CONTRACTS?

Once in place, contracts with existing workers, employees and consultants should still be kept under review. There are several situations where you will need to review and update your contracts:

REASON 1: TO RECOGNISE LEGAL CHANGES

If new legislation is introduced by parliament or judges make decisions which change the way in which the law is applied, there could be an impact on employment contracts. For example, this has occurred recently in relation to the calculation of holiday pay and the Good Work Plan. If you are using a precedent contract that you have used for many employees to date, it is a good idea to conduct an occasional review of the contract to check that it is current.

REASON 2: TO RECOGNISE BUSINESS CHANGES

Businesses are often growing and increasing in complexity and as they do job titles and job descriptions may change. It is important to conduct a review to confirm that the written document actually reflects the arrangement the parties are intending to be bound by.

For example, if an employee's role initially included limited work-related travel but expanded to include frequent travel it would be wise to review any travel clauses contained within the contract.

REASON 3: TO ENSURE RESTRICTIVE COVENANTS ARE ENFORCEABLE

A junior employee may have a limited restrictive covenant (or no restrictive covenant at all) in their contract of employment when they start working for a business. They may have little or limited interaction with clients and suppliers of that organisation meaning a detailed clause is not necessary.

However, if an employee remains with the same employer over time and is promoted to a more senior position, the restrictive covenants (or lack thereof) may no longer be appropriate.

You should always review existing restrictive covenants and protection when promoting an employee to ensure that the contract gives you the protection you need.

REASON 4: FOR CLARIFICATION

The contract needs to be detailed enough to provide employees with sufficient guidance on the nature of the employment relationship. Ensuring a contract is up to date will be useful where there are situations of redundancy, restructure and performance management, which rely on the contract and job description.



Contracts should be kept under review on an ongoing basis.

CHAPTER 5

CHANGES TO AN EMPLOYMENT CONTRACT

If you identify a need to make changes to your existing contracts, there are several options available to you which can be used at any time that you wish to introduce changes. However, these approaches carry risks and changing contracts can sometimes damage relationships with employees.

Before commencing this process you should consider the value to the business in implementing the change against the potential risks.

If changes are not well managed, the risks can include:

- legal claims, for example for constructive unfair dismissal;
- indirect discrimination, for example, if you are proposing changes to all employee terms that will put particular groups at a disadvantage, for example those with a disability;
- damaging employment relationships, for example valued people may choose to leave if they do not support the change or your reasons for it, or you may have increased levels of stress or absence; and
- reputational damage, for example, this is often seen when larger organisations seek to change key terms or benefits.

OPTION 1: INTRODUCING CHANGES VIA A VARIATION OR FLEXIBILITY CLAUSE

Your contracts of employment will often give you a specific right to make minor changes where needed. These are sometimes called flexibility or variation clauses. The most common example is a place of work clause, which may require your employees to work from your current office, or such other office within a set radius. The first step is therefore to identify whether the change that you need to implement was provided for in your contract. If so, provided you act reasonably and provide the affected employees with sufficient notice of the change, you may be able to implement the change relying on your existing right to vary the terms.

OPTION 2: VIA AGREEMENT WITH AFFECTED EMPLOYEES

Alternatively, you will first usually look to implement the change via agreement. Essentially, the employer would explain the proposed change and the reasoning to the affected employees. They would then ask the employees to confirm whether they consent to the change in writing by a set deadline. If the employee agrees to the change and signs the new terms or a variation letter confirming their agreement to the terms, the change is implemented via agreement.

This is most appropriate for changes where there is a clear advantage to employees, for example, where the employer is introducing a new benefits package, or where the changes are minor, for example, to ensure employment contracts are up to date with changes in the law.

OPTION 3: VIA CONSULTATION WITH AFFECTED EMPLOYEES AND DISMISSAL AND RE-ENGAGEMENT

Where employees are not willing to agree or the changes are more significant, the employer will need to start a consultation process. The process followed depends on the number of affected employees. Where 20 or more employees are affected, the employer will need to collectively consult with appropriate employee representatives. Elections would need to be held to elect representatives if none are already in place and a series of meetings would need to be arranged.

The employer would explain the business reasons for the change, discuss alternatives with employees that have been considered and consult with a view to reaching an agreement. If an agreement cannot be reached the employer will have to decide how they wish to proceed. It may sometimes be possible to introduce a contractual change by either:

- giving notice to the employees that you intend to make a change with effect from a certain date (imposing the change); or
- giving notice to terminate the employees' existing contracts of employment and offering to rehire the employees on the new terms (known as dismissal and re-engagement – sometimes now also referred to as 'fire and rehire')

Imposing the change

If an employer imposes a change to an employee's contract before reaching an agreement they will be acting in breach of contract. This is a risky approach for an employer. Employers may commercially choose to take this approach, if they believe employees will continue to work. In some cases their actions in continuing to work under the new contract terms could be taken as them affirming the breach of contract – they have accepted the contract change by their actions.

However, if an employee is unhappy with this change they have several rights against their employer. Any affected employee with more than 2 years' service may choose to resign and bring a claim for constructive unfair dismissal against the employer. Alternatively, they may continue to work but make it clear that they are doing so 'under protest' and bring a claim against the employer for breach of the contract.

Dismissal and re-engagement

Employers may instead decide to serve notice to terminate contracts on the current terms and offer to re-engage employees on the new terms. This is commonly known as dismissal and re-engagement or fire and re-hire. The employer would need to demonstrate a potentially fair reason for the dismissal, which is normally some other substantial reason – that they need to implement the proposed change of terms for business reasons and have gone through an appropriate process. The affected employees will need to be invited to a formal meeting to consider the proposed dismissal before any decision is made.

Employers should seek advice in this situation to ensure that they can justify dismissing on this ground and they have followed an appropriate process with each employee individually before dismissing.

TUPE and changing employment contracts

TUPE stands for the Transfer of Undertakings (Protection of Employment) Regulations which protect employees' rights when they transfer to a new employer. TUPE commonly applies where there is change in service provider, for example, a company changes its cleaning provider, or where there is a sale of business assets, where the work will continue much as before.

Where there has been a TUPE transfer, employees' terms and conditions of employment are protected. They are entitled to transfer across to the new employer on their current terms. Changes to terms are generally unlawful if the main reason for the change is that there has been a TUPE transfer. This includes changes to harmonise terms after a TUPE transfer, so that new employees are moved to the new employer's normal terms.

Generally after a TUPE transfer, an employer can only make changes to the contracts because of the TUPE transfer if:

- the changes are positive for employees: For example, you increase employees' pay or allow them access to your benefit schemes. In this situation the employees are unlikely to object to their change in terms.
- you have an 'economic, technical or organisational' reason involving a change in the workforce (known as an ETO reason). This has to be a reason that changes the numbers or functions of employment. For example, if your organisation needs restructuring, you may be able to move employees to alternative roles that are on different terms and conditions.

Whilst it may be possible to implement a mixture of positive and negative changes following a TUPE transfer via the employee's agreement, there is a risk to the employer that the employee may later be able to "cherry pick" the terms, arguing that they were entitled to take the benefit of the positive changes, but that the negative changes do not bind them due to the TUPE protection. There is also the risk of legal claims, for example, an employee resigning and claiming constructive unfair dismissal.

Further guidance is available from ACAS on employer's obligations.

Employers in this situation should always take legal advice to ensure they understand the risks and their obligations.

CHAPTER 6

TERMINATING AN EMPLOYMENT CONTRACT

The employment contract can be brought to an end by either the employee or the employer.

The first issue to be considered is the notice period that applies. The employee's contract of employment will normally confirm the notice period that either party has to give to the end of the contract. This could be set at the same level throughout the contract, for example, three months' notice, or set to increase with the employee's length of service, for example 1 week's notice for every year of service. It is common for a reduced notice period to apply during the employee's probationary period.

Legally, minimum notice periods also apply. Once an employee has been employed for over one month, the minimum notice that must be given is one week's notice. If the employer wishes to give notice, legally they must give one week's notice for every year of service, up to a maximum of 12 weeks' notice, if this is more than the contractual notice period specified.

An employee that wishes to resign should submit their resignation in writing to their employer. The employer will then usually formally confirm their acceptance of the employee's resignation and the practical arrangements that will apply, from their last day of work, to returning company property.

Once an employee has 2 years' service, they are protected from being unfairly dismissed. This means that their employer must establish that they have a potentially fair reason to dismiss the employee and that they have followed an appropriate process to dismiss. There are 5 potentially fair reasons, which are:

1. Redundancy
2. Capability (this can be ill-health capability or poor performance capability)
3. Conduct (this could be misconduct, if it persists after warnings, or gross misconduct)

4. Contravention of a statutory enactment (for example if it would be illegal for the employer to continue to employ the employee because they no longer have the right to work in the UK)
5. Some other substantial reason (known as SOSR, this is a catch all reason which covers things like a fixed term contract ending or third party pressure to dismiss from a customer)

Specific legal tests apply to each reason for dismissal.

For example, for a gross misconduct dismissal, the employer would need to follow the ACAS Code of Practice on Disciplinary and Grievance Procedures and demonstrate that they have a reasonable belief that the employee has committed gross misconduct, which they have based on reasonable grounds following a reasonable investigation.

They would also need to demonstrate that dismissal is within what's called the range of reasonable responses – it was a decision that other employers could have reasonably taken in that situation. For a redundancy, the employer would be obliged to consult with the employee regarding the proposed redundancy situation, which could include collective consultation depending on the number of employees affected.

Employers also need to ensure that their decision to dismiss is not discriminatory.

CHAPTER 7

BREACH OF AN EMPLOYMENT CONTRACT


If an employer breaches an employee's contract of employment this may also give rise to a claim for that breach.

For example, if the employer fails to pay the employee their correct salary they could bring a claim for unlawful deduction from wages to recover this sum. If an employer fails to pay an employee's contractual bonus, they could bring a claim for breach of contract to recover the bonus.

In addition to the express terms of the employee's contract, the law implies terms into the employment contract. This includes an implied term not to act in a way which is likely to destroy or seriously damage the relationship of trust and confidence between an employee and employer.

In some cases an employee can also bring a constructive unfair dismissal claim if they resign in response to a serious breach of their employment contract. This could be in response to a one off breach, for example a failure to pay their wages, or a series of incidents which have built up over time, culminating in a last straw which results in the employee's resignation.

Employees in this situation will commonly first raise their concerns via an informal complaint or a formal grievance with the employer. Employers should attempt to use the grievance process to rectify the concerns raised by the employee and whether the concerns are upheld or not, to resolve the situation going forward. For example, this could include arranging mediation between the employee and their manager, providing additional support to the employee or additional training to management.



Employers should attempt to use their grievance process to rectify concerns.

CHAPTER 8

EMPLOYMENT CONTRACTS AND DATA PROTECTION

The General Data Protection Regulation came into place in May 2018 and requires all organisations to demonstrate compliance with the data protection principles and to provide more information to data subjects about their processing activities than ever before.

Employers process significant personal data regarding their employees.

In addition to an internal data protection policy which sets out the standards that all staff are required to meet to ensure data protection compliance, all employers therefore need:

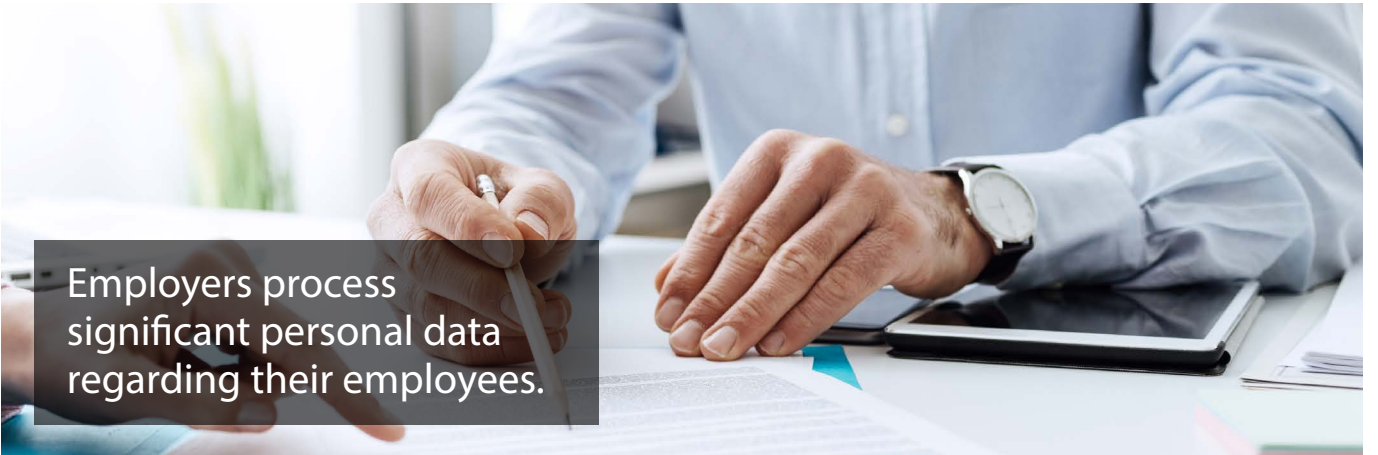
- an Employee Privacy Notice: this sets out the legal grounds on which employers will process information regarding their employees, the information processed, and key information about how this will be shared, stored, kept secure and employees rights to access data;
- employment contracts – data protection wording in employment contracts needs to be reviewed to ensure compliance with GDPR;
- regular audits – to review the data stored regarding employees and ensure that this is now processed in accordance with the GDPR principles, including appropriate retention periods;

- Data Protection Impact Assessments: where an employer processes particularly sensitive information, for example, location data from vehicle or mobile phone trackers, biometric data from fingerprint entry systems, or criminal records information. They will also need to complete a data protection impact assessment; and
- legitimate interests risk assessments: where an employer processes information relying on their legitimate interests to do so, for example, personal information and photographs for business development and marketing purposes. They should complete a legitimate interests risk assessment to ensure that they have struck an appropriate balance between the employers and the employees' interests.

This is now a complex area. Additional considerations apply where the employer, or businesses that provide services to it, transfer employee data outside of the UK.

Further information and guidance for employers is available from the Information Commissioner. Organisations can now be fined up to a maximum of £17.5 million or 4% of annual global turnover for non-compliance.

If you have not already updated your employment policies to reflect your obligations under the GDPR, you should act now to ensure you are compliant.



Employers process significant personal data regarding their employees.

CHAPTER 9

HOW WILL REMOTE AND HYBRID WORKING AFFECT EMPLOYMENT CONTRACTS?

As a result of the COVID-19 pandemic, many businesses are now looking to move permanently to remote or hybrid working.

If you have identified that hybrid or remote working will now be a permanent part of your business for the future, it is important that you take steps to formally implement this, and protect your business.

This includes updating your contracts of employment and implementing appropriate home and remote working policies.

To effectively manage flexible working requests, employers need to carefully consider what they can accommodate based on their needs, for example if they need a certain level of in office cover or a certain proportion of a team working during core hours. Employers should also consider informally canvassing opinions from employees, with managers testing the water as to whether they are looking to change their working arrangements more permanently so employers can understand what level of requests they may be facing. Employers may find it helpful to encourage employees to submit flexible working requests connected with proposed changes within a specified timeframe, so that they can consider these together insofar as possible.

Employers should:

- change your employment contracts: You should amend your employment contracts to confirm the new place of work arrangements, the proportion of time the employee can work from home/the office and any circumstances where these arrangements will be reviewed, for example if there are performance concerns or due to business need. Any additional requirements which apply to them when working from home also need to be covered. Employees consent to these changes will usually be required;
- introduce a remote or hybrid working policy: It's important that you clearly set out the expectations on employees working permanently or partly from home, from how they should report to their line manager, to the expenses they can claim, to health and safety requirements. A remote or hybrid working policy which can be reviewed and updated regularly is key;
- comply with health and safety obligations: An employer is responsible, "so far as is reasonably practicable", for an employee's welfare, health and safety. This includes where an employee is working at home. Employers should conduct a suitable and sufficient risk assessment of all the work activities carried out by their employees to identify any hazards and assess risks where remote working arrangements are made permanent, and review these regularly. You should also ensure that employees have the necessary equipment to work safely and effectively both in the office and at home;
- comply with data protection obligations: You should ensure that your data protection policies reflect the fact that employees will be permanently working remotely, and that appropriate measures are in place to ensure that data is kept secure. This includes communicating additional requirements that apply to employees working remotely, for example to ensure their home WIFI is secure and where necessary providing additional training to those employees;
- ensure you effectively support and manage employees working remotely: You should review your policies in relation to performance management and appraisals to ensure that they reflect remote working. Careful thought needs to be given as to how you can effectively support and communicate with employees who move to permanent remote working and ensure that they are not penalised as a result, for example due to being less visible to their manager.

CHAPTER 10

FREQUENTLY ASKED QUESTIONS

What are the types of employment contracts?

There are three main types of employment contracts: permanent contracts, fixed term contracts and casual or zero hours contracts.

Permanent contracts are given to employees who are employed to work regular hours on an ongoing basis. This could be for part-time or full time hours. The employee's role is expected to be ongoing unless either the employee or the employer chooses to bring it to an end.

Fixed-term contracts are contracts for a limited time period, with a fixed end date. These are commonly used for short term projects or short term cover, for example a fixed term contract might be offered to cover a permanent employee's maternity leave. Fixed term employees have similar rights to permanent employees, including the right not to be unfairly dismissed once they have two years' service. They also have specific protection to prevent them being treated less favourably because they are engaged on a fixed term.

Casual or zero hours employee contracts are for employees that are expected to work but have no set hours. They are offered work when it is available and are expected to then accept and perform this work when required.

There are also then other categories of self-employed consultants and workers who have different rights.

Can you change an employment contract?

An employment contract can be changed via agreement between the employee and the employer. For example, it could be changed as a result of the employee being promoted, being offered new benefits, or the employer granting the employee's flexible working request.

What should be included in a contract of employment?

There is specific information that all contracts of employment must cover, which is set out in S.1 of the Employment Rights Act 1996 and has recently been updated via the Good Work Plan. This includes information regarding the employee's pay, benefits, notice period, hours of work, training, holiday and sick pay. The full list of information that must be included can be found by visiting the Government's website.

Can employers change a contract of employment without agreement?

Usually, once an employment contract has been agreed, it cannot be changed without both the employee and the employer's agreement. However, there are some circumstances where changes can be made by the employer.

The employer may be able to make changes using a variation or flexibility clause within the contract. For example, it is common for a contract of employment to allow an employer to change the place of work if they move offices.

If the employer has good business reasons for the change, it may be able to follow a consultation process with employees to consider dismissing and re-engaging employees on the new terms. This is often known as "firing and re-hiring". The employer would serve notice to end the employment on the old terms, and offer continued employment on the new terms. Where an employee has 2 years' service and chooses not to accept the new terms, they may have an unfair dismissal claim against the employer, depending on the circumstances.

Can an employee have more than one contract of employment?

Yes, it is possible for an employee to have more than one contract of employment, either with the same or different employers. For example, an employee in a part-time role during the week, may chose to apply for a different part-time role with the same employer at the weekend.

The employee should ensure that both contracts of employment permit them to work elsewhere. It is common for contracts of employment for full time employees, or those in senior roles, to specify that they should not work elsewhere without their first employer's agreement. Employees will often therefore need to explain their employment situation to both employers.

Following recent changes, employers cannot enforce clauses that prevent an individual working elsewhere in a zero hours contract. It is therefore always possible for an employee to have several zero hours contracts with different employers.

Where an employee works for two different employers they may be asked to give information regarding their hours for compliance purposes. For example, their employers may wish to ensure that they are not working more than the 48 hour working week and have sufficient rest breaks between their employments.

When should an employee receive a contract of employment?

Since April 2020 an employee should receive their contract of employment on or before their first day of employment following changes made under the Good Work Plan. Previously, employers had one month from the start of employment to provide this.

Speak to an expert

If you would like any help with your employment contracts, do pick up the phone and speak to one of us.



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