

DATED

20     

**[Name of employer]**

-and-

**[Name of employee]**

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**CONTRACT OF EMPLOYMENT**

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7. **[Optional: PERFORMANCE REVIEW]**

7.1 The Company will keep performance under review and carry out a formal performance review with you annually.

7.2 The performance review process is at the complete discretion of the Company and the frequency and number of reviews may vary.

7.3 Any performance related pay increase is at the sole discretion of the Company. While positive performance reviews may be used to inform decisions about pay increases, please note that positive performance reviews do not in any way guarantee any pay increase [or bonus].]

8. **PENSION [& RETIREMENT]**

8.1 [Upon joining the Company, ] [After [three months'] service,] and subject to your complying with other requirements in relevant legislation and/or rules of the scheme, you will have the right to join the Company's [occupational pension scheme] [stakeholder pension scheme. Full details of the Scheme are available from [POSITION].]

**OR**

8.2 [There is no pension scheme in force in relation to your employment.]

**OR**

8.3 [The Company will comply with the employer pension duties in respect of you in accordance with Part 1 of the Pensions Act 2008.]

**OR**

8.4 [You will become an active member of the [NAME] Pension Scheme, (or such other registered pension scheme as may be set up by the Company to replace the Scheme) with effect from the date of this contract. Full details of the Scheme are available from [POSITION].]

8.5 [There is no retirement age applicable to your employment. You should notify us no later than your contractual notice period set out in clause 12 if you intend to terminate your employment for any reason, including because you wish to retire.]

9. **HOURS OF WORK**

9.1 Your normal hours of work will be [9 am to 5.30 pm] Monday to Friday with a break for lunch of [this must be at least 20 minutes] to be taken between [[time] and [time]]. Your normal hours of work may be changed by the Company to accommodate the operational needs of the business. [You will also be required to work such additional or other hours as necessary to enable you to meet your obligations under this Agreement. The duration of any working time beyond your normal hours of work is not measured or predetermined.]

10. **HOLIDAYS**

10.1 The Company's Holiday Year is [1st January to 31st December]. In each complete Holiday Year full time staff are entitled to [28] days paid holiday, which includes your entitlement to paid public and bank holidays as set out in clause 10.2 below. Holiday

entitlement in any part Holiday Year will be pro-rated accordingly. Holiday for part time staff will be calculated on a pro –rata basis.

- 10.2 The Company requires you to take paid holiday from your entitlement under 10.1 on each bank and public holiday which falls on a day when you would normally be working and therefore your statutory holiday entitlement will be exhausted by up to 8 days a year, depending on the days on which you work. [Employees who are contracted to work on a public and bank holiday will not be required to use holiday entitlement under 10.1 which can then be taken in lieu subject to clause 10.3].
- 10.3 Holidays may only be taken at times convenient to the Company and are subject to the rules set out in the [Company Annual Leave Policy OR the Handbook].
- 10.4 On the termination of your employment, you will be paid for any outstanding holiday accrued and the amount of such payment shall be calculated at 1/260th of your [full-time equivalent] salary] for each untaken day. [However, if you are summarily dismissed for gross misconduct or resign without giving the correct period of notice such payment in lieu shall be limited to your statutory entitlement under the Working Time Regulations 1998, and any paid holidays (including paid public holidays) taken shall be deemed first to have been taken in satisfaction of that statutory entitlement.] Alternatively, the Company can require you to take any outstanding holiday entitlement during your notice period.
- 10.5 In the event of termination, the Company reserves the right to deduct from your final salary an amount equivalent to any holiday taken in excess of your accrued entitlement calculated at 1/260th of your [full-time equivalent] salary for each excess day.
- 10.6 [You shall not accrue holiday under this contract over and above your minimum statutory entitlement under the Working Time Regulations 1998 ("the Regulations") during any period of continuous absence due to incapacity of [one month or more]. Your entitlement for the Holiday Year in which such absence takes place shall be reduced on a pro rata basis. For the avoidance of doubt such pro rata reduction shall not fall below your statutory entitlement under the Regulations.]

## 11. **[Optional: COMPANY CAR**

- 11.1 To help you perform your duties, the Company will provide you with a company car. [You will also be entitled to reasonable use of the car for private use, subject to any restrictions and conditions which the Company may at any time impose]. [You may at your choice be paid a monthly allowance in lieu of the provision of a car according to the applicable band of entitlement]. [You will not be entitled to retain the car during any period when you are not carrying out duties for the Company.]
- 11.2 You agree to comply with the provisions set out in the [Company Car Policy **AND/OR** the Handbook] and with all directions given by the Company from time to time concerning the use of its cars.
- 11.3 [The Company shall have the right to terminate your employment [without prior notice or payment in lieu of notice] if you are [convicted of a driving offence or] disqualified from driving subject to the Company considering whether any reasonable adjustments could be made to allow you to continue working for the Company].

## 12. **TERMINATION OF EMPLOYMENT**

- 12.1 Subject to clause 3.2, either party may terminate this contract at any time by giving the other notice in writing as follows:

<u>Continuous service</u>	<u>Length of notice</u>
Up to 2 years	1 week
2 years to 12 years	1 week for each year of continuous service
12 years and above	12 weeks

12.2 The Company may at its sole discretion pay you basic salary in lieu of notice of termination of your employment.

12.3 [Once notice of termination has been given by either party, the Company may, at any time and for any period(s), require you to stop performing your job and/or exclude you from attending its premises and/or assign you to special projects ("garden leave"). [Any period of garden leave shall not normally exceed **[PERIOD].**] During any garden leave, the Company will provide your normal pay and benefits provided for in this Agreement [except for bonus] and you must remain available to undertake duties for the Company during your normal hours of work. During any garden leave, you will be deemed to have taken any holiday accrued but untaken before the beginning of the garden leave and any holiday accruing during the garden leave. During any period of garden leave you shall remain an employee of the Company and bound by the terms of this Agreement.]

13. **SICKNESS AND INJURY**

13.1 If you are absent from work owing to sickness or injury you must follow the reporting procedures as set out in [the Company Absence Policy **AND/OR** the Handbook].

13.2 The Company can require you to produce a medical certificate or undergo a medical examination at any time.

13.3 The Company reserves the right not to permit you to return to work after sickness absence until a doctor has given you a medical examination and accepted that you are fit to return to work. Your entitlement to remuneration during any such period will be as set out in clause 14.

14. **PAY DURING ABSENCE**

14.1 If you are absent from work due to sickness or injury, the Company does not have to pay you your contractual salary or provide benefits. Provided that you comply with the requirements set out in the [Company Absence Policy **AND/OR** the Handbook], the Company will pay you any Statutory Sick Pay to which you are entitled. [The Company may in its absolute discretion pay you whatever additional payment is necessary to make up your pay to your contractual salary for a maximum of an aggregate of **[30]** working days absence through sickness in any continuous 12-month period. Beyond this, you will receive only the Statutory Sick Pay to which you are entitled, unless the Company, at its discretion, decides to pay you any additional sum and/or maintain any benefits. Any such further discretionary payments and/or provision of benefits may be varied or discontinued at any time.

14.2 You will have no entitlement to additional payment during sickness absence in the notice period to terminate employment.

14.3 The "qualifying days" for the Statutory Sick Pay Scheme are [Monday to Friday].

- 14.4 Any sickness payments payable under Clause 14.1 are inclusive of any Statutory Sick Pay and social security benefits to which you may be entitled (whether or not recovered) in respect of such absence.
- 14.5 If your absence from work results from an accident in respect of which compensation for loss of earnings may be recovered from a third party, any payments made by the Company under this Clause 14 (including any Statutory Sick Pay) will constitute loans. You must repay them when and to the extent that you recover compensation from the third party.
- 14.6 Payment during sickness absence is dependent on you being genuinely sick and on you complying with the rules set out in **[the Company Absence Policy AND/OR the Handbook]**.
- 14.7 **[Further, no additional payment will be made for time off for surgery or treatment which you opt to have for non-medical reasons or because of injuries sustained through participation in sports or other recreational activities or in the course of undertaking any paid work outside your employment for the Company.]**

## 15. **DISCIPLINARY AND DISMISSAL POLICY**

- 15.1 The Company's Disciplinary and Dismissal Policy is applicable to your employment. It does not form part of the terms and conditions of your employment. A copy of the Disciplinary and Dismissal Policy can be obtained from **[the HR Department]**.
- 15.2 If you wish to appeal against a disciplinary decision you may apply in writing to **[POSITION]** in accordance with our disciplinary procedure.
- 15.3 The Company has the right to suspend you on full pay, pending a disciplinary interview. The Company has the right to impose any of the following disciplinary penalties should it deem them appropriate: suspension with or without pay for up to one calendar month, transfer, demotion, loss of seniority, loss of increment, a reduction in pay, dismissal with or without notice or without pay in lieu of notice.

## 16. **GRIEVANCE PROCEDURE**

- 16.1 The Company's Grievance Policy is applicable to your employment. It does not form part of the terms and conditions of your employment. A full copy of the Grievance Policy can be obtained from **[the HR Department]** and is summarised in **[the Company Grievance Policy AND/OR the Handbook]**.
- 16.2 If you wish to raise a grievance you may apply in writing to **[POSITION]** in accordance with our grievance procedure

## 17. **DEDUCTIONS FROM SALARY**

- 17.1 At any time during your employment or upon its termination (howsoever arising), the Company will be entitled to deduct from your salary, or from any other payment due to you in respect of your employment, any monies due from you to the Company.

18. **[Optional. If needed this clause needs to be drafted as the below is just guidance to consider: RESTRICTIVE COVENANTS**

Consider the need for contractual restrictions on the activities of the employee after the termination of their employment, such as clauses to cover:

- **Non-competition** - To prevent the employee from competing with the company either by joining a competitor or by setting up his own business.
- **Non-solicitation of customers and suppliers** - To prevent the employee from approaching customers and suppliers of the company for business, either directly or through third parties
- **Non-dealing with customers** - To prevent the employee from accepting orders from customers of the company
- **Non-poaching of staff** - To prevent the employee from enticing staff away from the company

**Restrictive covenants are unenforceable unless the employer can show that they are necessary to protect a legitimate business interest and must be no more than is reasonably necessary to achieve this, both in terms of the effect of the restriction on the employee's activities, and its duration. Please contact us if you require any of the above, which we will be happy to draft for you.]**

18. **FURTHER PARTICULARS**

18.1 There are no terms applying to this Agreement which relate to the following:

- 18.1.1 The period for which the employment is intended to continue or the date when it is to end;
- 18.1.2 Any collective agreements which directly affect the terms and conditions of employment;
- 18.1.3 Work outside the United Kingdom.

Signed by **[NAME OF DIRECTOR]** for and on behalf of **[NAME OF COMPANY]**

.....  
Director

Dated.....

I acknowledge receipt of these terms and conditions of employment and confirm my agreement that these constitute my contract of employment with the Company.

Signed .....  
(Employee)

Dated .....

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