

# The Contract of Employment



The employment contract is a legal agreement entered into between two parties, namely the employee and the employer.

It is the employee's responsibility to ensure that the conditions of the contract meet with their expectations and satisfaction before signing off. What to look for and consider before signing off on the Contract of Employment?

Here are some of the basic things that ought to be carefully considered before signing off.

## **Type of Contract of Employment**

(a) Temporary / Probationary

(b) Permanent

(c) Fixed period of engagement. This refers to the start and end date of employment.

(d) Intermediary or Seasonal Contracts

## **Establish if the contract is one for or of service?**

### Definition of a Contract of Service

It is contract of service is an agreement between an employer and an employee.

Basically, one person agrees to employ another as an employee, whereas the other person agrees to serve the employer as an employee.

Under a contract of service, the two parties can engage in bargaining.

The employee has clearly defined duties, fixed hours of work and is entitled to leave benefits such as sick leave and vacation leave.

### Definition of a Contract for Service

In a contract for service, applies where an independent contractor, such as a self-employed person or vendor, is engaged for a fee to carry out an assignment or project.



### **Hours of Work**

The contract needs to identify the specific hours of work. For example, 8:00 a.m. -4:00 p.m. or 9:00 a.m.- 5:00 p.m.

### **Conditions of Work**

Finalize if you are to receive a wage or a salary.

Establish what compensation is offered for overtime work. Is it the practice to pay time and half pay for overtime work during the work week, and double time on weekends and public holidays?

Confirm if time in lieu of pay is an option which the employee has.

Avoid the possibility of being exploited where the employer requires you to work on Saturdays and public holidays on your off day, without offering the appropriate compensation.

Establish whether there is a shift system of work and how it is regulated. Find out what conditions apply to those employees who are required to work unconscionable hour. For example... What is the arrangement for transportation to or from work?

### **Place of Work**

The place of work should be clearly established.

The employee should be aware if a transfer policy exists and how it is managed.

### **Benefits:**

Does the company offer an Employee Pension Plan?

What are the terms of the plan?

What is the employer's contribution to the plan?

Does the employee lose the benefits of the Group Life and Health Plan if employment is terminated or resigns from the company?

Do you still retain membership under the plan or if it is transferrable?

### **Annual Holiday:**

Be aware of the local labour legislation which as it applies to the eligibility of vacation leave. For example, in some jurisdictions, an employee becomes eligible for vacation leave after 9 months of continuous service, and is entitled for three weeks holiday where that employee works between 1-4 years.

### **Annual Pay Increase**

The contract needs to identify how this is determined. Is there an incremental % increase in salary, and are negotiated pay increase completed every two or three years?

## **Reporting**

The contract should identify the management or supervisory management personnel to whom you should directly report. This is to avoid any issues as to who is your reporting officer.

## **Promotional Opportunities**

The contract should also identify promotional opportunities and eligibility for the same.

## **Job Description**

This should be set out in writing. It should address the employee's role and functions.

Any changes to the job descriptions are to be discussed with the employee and the trade union as the representative body of the workers. Any change (s) are to be **mutually agreed upon**.

## **Performance Standards**

Reference is made to the company's Procedures or Operations Manual. This is sometimes referred to as the Employees' Handbook.

## **Annual Performance Review**

Employees should be made aware as to whether the company completes an Annual Performance Review, how it is conducted, at what time this is done during the year, and what are the areas which are to be specifically addressed in the review process.

## **Leave**

Employees ought to establish if the company makes provision for study leave, training leave, compassionate leave, maternity and paternity leave.

Compassionate leave applies when an employee has a family bereavement.

Paternity leave is a time given to a father when there is a new born in the family.

## **Training and Retraining**

Employees should ascertain if the enterprise or organization provides opportunity for training and retraining, and be made aware how any training and/or retraining is applied towards internal promotion.

## **Discipline**

Clearly understand the established disciplinary procedure.

Establish if there is a no tolerance policy in place in the enterprise/ organization and what is it.

## **Exit Clause**

The contract should give some indication of how the employment relationship can be terminated by either party. Remember that either the employer or the employer can terminate a contract of service.

