

## A GUIDE TO ISSUING STATEMENTS OF TERMS AND CONDITIONS OF EMPLOYMENT

The law requires you to issue a statement of main terms and conditions of employment to each person you employ. You must do this within two months of their starting work. This document is often referred to as a “principal statement” or sometimes a “contract of employment.” We advise you to issue it promptly, so that terms of employment are agreed from the outset.

Our principal statement templates are legally compliant and suitable for full or part-time employees. However, they are not universally applicable for every employment situation. We automatically supply two principal statement templates for your potential use. These are for permanent and temporary employment. Remember, you are constructing a legally binding document. You need to ensure you issue a template that's entirely suitable for your intended purpose.

The notes below will help you complete the template. Where you see a grey highlighted gap on the template, you can insert information. Where a word is highlighted in grey, this conceals a drop-down menu. Click to reveal the options available.

**Date of Issue:** The date entered here should be the date on which you issue the statement to your employee. This is **NOT** necessarily the same as the date on which their employment actually started.

**Location of Employee Handbook:** The Employee Handbook is a compendium of your most important rules and procedures. You do not need to issue one to each employee. However, they have to know where it is located. And they must have the opportunity to read it before they sign the principal statement.

**Employer's Name and Address:** This should be **your** business name (rather than Dublcheck's) plus the principal address from which your business operates.

**Name and Address of Employee:** Insert the full name and current address of the employee.

**Date of Commencement:** Enter the date on which the person began to work for you. If the employee transferred to your employment under TUPE, you should enter their *original* starting date; not the date they transferred to you. Take our advice first if you are unsure.

**Prior Employment Recognised:** Most of the time you will not need this clause. You can delete it or type “not applicable” into the box. This clause would apply, for instance, where you acquire an employee through TUPE and decide to issue a fresh principal statement.

**Job Title:** Enter the title of the job the person is employed to do – for example, part-time cleaner, administrator etc. If you issue a job description, do this separately to avoid duties becoming contractual. You need to retain the flexibility to change individual tasks that staff undertake.

**Job Flexibility:** Work location or content may change; but changes must be reasonable. The nature of your cleaning business means work locations sometimes change. This clause explains this prospect.

**Third Party Pressure:** One of your clients may “fall out” with your employee. This clause explains their employment implications in such circumstances.

**Probationary Period:** It is normal practice to make the initial months of employment probationary. Monitoring for new employees is often for 3 or 6 months – perhaps less for temporary staff.

**Collective Agreements:** These only apply to situations where you recognise a trade union for pay and conditions bargaining. You are highly unlikely to have any collective agreements affecting the employment you provide.

**Hours of Work:** This needs to reflect your employee's working pattern. Most franchisees' staff work a set number of hours each week. Our templates set out two options. However, if you have employees working differently, please contact us for more suitable wording. Working hours cannot normally exceed an average of 48 hours per week. Employees under 18 may only work a maximum of 40 hours weekly.

**Statutory Rest Break:** Employees working over 6 hours daily are entitled to a break of at least 20 minutes' duration away from their work. This break is usually unpaid, where it's applicable. Young workers under 18 must receive no less than 30 minutes after no more than 4.5 hours. Most staff you employ are unlikely to work six hours in a day.

**Additional Hours/Overtime:** You may ask employees to work additional hours. You must ensure you meet the provisions of the National Minimum Wage if you do. You can reimburse additional hours with pay or paid time off in lieu. Working extra hours without additional pay may apply to higher graded staff whose salary significantly exceeds National Minimum Wage levels. Please contact us for suitable wording in this case.

**Remuneration:** You can amend the pay details on the template. Is the post paid a wage or a salary? Is payment made in cash, by cheque or through a bank?

**Deductions from Pay:** In certain circumstances you may wish to recover money from your employee e.g. an overpayment of wages. This clause sets out why you may make a deduction from pay. You must always set out your intention in writing first. Deductions must only be reasonable reimbursement and never imposed as penalties. Deductions can affect your compliance with the National Minimum Wage. It's sensible to take our advice first.

**Place of Work:** Enter the normal address where the person will work. This may be one specific address or one or more client sites. They may be operating on a mobile basis. If they will routinely work at different locations, or may have to move around, make such requirements perfectly clear.

**Work outside the UK:** You must indicate whether the employee will work outside the UK by law. It's highly unlikely this requirement will ever apply in your business.

**Holiday Year:** Enter the dates on which your holiday year starts and finishes. Avoid April to March holiday years wherever possible.

**Holiday Entitlement:** Enter the number of working weeks and the days or hours to which the person is entitled. The statutory minimum is 5.6 working weeks which equates to 28 days for a 5 day per week worker. Part-timers must be treated pro rata to their full-time equivalents. When someone starts or leaves within the holiday year, calculate their holidays pro-rata to the full year's entitlement. There's a calculator on the gov.uk website <https://www.gov.uk/calculate-your-holiday-entitlement>

**Bank Holidays:** You are not obliged to recognise bank/public holidays. It depends entirely on the needs of your business. Dublcheck cleaning contracts normally envisage bank holidays as non-cleaning days. You need to identify whether bank holidays apply and which ones you recognise. If bank holidays will be working days, please contact us for suitable wording to reflect this.

**Payment on Bank Holidays:** Where bank holidays are part of your holiday provision, you must normally provide compensatory paid time off should employees work one.

**Holiday Pay:** Holiday pay is normally calculated using basic pay. It is based on normal hours of work or an average if weekly contractual hours vary. There is government guidance on the [www.gov.uk](http://www.gov.uk) website.

**Statutory Sick Pay:** When employees are sick, they may be eligible for statutory sick pay. There is a minimum earnings threshold before they qualify. There is government guidance on the [www.gov.uk](http://www.gov.uk) website.

**Pension:** You may be required by law to operate “auto-enrolment” pension provisions. Employee eligibility depends on a number of factors including age and pay level. You should consult your accountant or independent financial advisor. The Pensions Regulator also issues guidance:-

<http://www.thepensionsregulator.gov.uk/employers/main-steps.aspx>

**Notice Periods:** The normal statutory minimum notice an employee is required to give is one week. The amount you are required to give is one week for each complete year of service. There is a maximum of 12 weeks after 12 or more years' continuous service. Your templates have been defaulted to reflect this. You can agree longer employee notice periods contractually. The drop-down options on the template allow you to make certain contractual changes to notice provisions.

**Additional Notice Provisions:** You may perceive a risk to your business if you allow an employee to continue working during their notice period. This wording facilitates restriction of their activities during notice; or payment in lieu of notice if desired.

**Discipline, Capability and Grievance Provisions:** There are statutory provisions which you must ensure are applied within your business. The employee handbook contains detailed provisions. Where possible, appeals should normally be heard by a more senior management representative, previously uninvolved.

**Precedence:** The principal statement is the one document you must issue to every employee by law. In the event of a difference between it and the employee handbook, it takes precedence.

**Declaration:** You and the employee should each sign and retain a copy of this document. The employee is signing to say that:-

- They have read and received a copy of the principal statement.
- They accept that the principal statement plus the employee handbook reflects their main terms and conditions.
- They recognise you need to process their personal data (in a transparent, fair and lawful manner).
- They give approval for pension deductions to be made (subject to eligibility).