



DAVID
ALLEN
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CHARTERED
ACCOUNTANTS

Taking on Employees

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Taking on Employees

When you become an employer, there are two types of obligations you have to obey. The first types of obligations are those agreed between employer and employee and the second types of obligations are those implied by law.

Written Statements

As an absolute minimum, the law requires you to provide all employees taken on for one month or more with a 'Written Statement of Employment Particulars'. You must do this within the first two months of service. The usual terms agreed include; job title and description, hours of work, salary, holiday entitlement, sick pay, pension schemes, notice provisions grievance, dismissal and disciplinary procedures.

Whilst there is no direct financial penalty for failing to do so (although note that there can be a penalty of between two and four week's pay for failing to issue details of disciplinary and grievance procedures), a tribunal is entitled to make a declaration as to what it thinks the main terms are – this might be very different to your interpretation.

The other major benefit of having a Written Statement is that should there ever be a dispute between you and your employee over the terms of their employment; the terms are much easier to prove if they are in writing.

Employment Law

Written Statements or Contracts of Employment cannot take away any rights that the employee has by law. If a contract gives greater rights than under law, then the contract applies however if a contract gives less rights than under law, the statutory rights will be applied. Statutory rights are legal rights based on laws passed by Parliament.

A Contract of Employment will also include 'custom and practice' agreements. These are how things are usually done in the work place, for example, if the employer always gives the employees a day's holiday in August, even though it is not mentioned in the Written Statement, this will form part of the contract of employment as it is the usual practice.

Some contracts of employment will be illegal if; the employee gets all or part of their wages as 'cash in hand'; and tax and national insurance contributions are not paid and the employee knows they are getting paid this way to avoid paying national insurance and tax.

There are many laws passed on employment and some are frequently updated, for example, National Minimum Wage is updated every October and affects all employees aged sixteen and over. There are heavy fines imposed by HM Revenue & Customs if these regulations are not adhered to. There are special rules about employment of children and young people and often depend on their job description and type of work they are undertaking.

We can help.....

David Allen & Co can ease employment issues by producing a Written Statement along with a Staff Hand Book that satisfies the basic minimum legal requirement, to assist you with the smooth running of your business. As with any legal matter, common sense should determine whether you need the assistance of a solicitor rather than relying solely on the basic terms in the Written Statement.

For further information please contact Jill Hetherington (jill.hetherington@david-allen.co.uk) or complete the following slip and post it back to us:

I would like you to contact me regarding employing staff.

Name

Address

.....

.....

Telephone

E-Mail





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The information contained in this leaflet is intended for guidance only. We recommend that you seek professional advice before acting on any matters contained herein.

