

Employment Agreements

Avoid unexpected pitfalls.

What is an Employment Agreement?

An employment agreement sets out the terms and conditions of employment.

An employment agreement by law is required to be:

- In writing
- Provided to the employee before commencing employment to allow the employee an opportunity to obtain advice prior to signing the employment agreement.

What are the requirements of an Employment Agreement?

An employment agreement must include:

- The parties to the agreement – the name of the employer and employee
- The nature and term of the agreement, e.g. individual/collective; fixed or on-going
- A description of the position
- The place of work
- The hours of work
- The wage or salary and any allowances paid
- The holiday and leave entitlements
- A provision for restructuring and/or redundancy
- A provision for termination
- A health and safety clause
- The procedure for resolving employment relationship issues
- Acknowledgement of the agreement

The agreement may also contain additional clauses such as:

- Other entitlements the employer may wish to provide to the employee
- Restraint of trade
- A trial period

Types of Employment Agreements

Collective Employment Agreements: Where the union, on behalf of its members, negotiates the terms and conditions of its members' employment with the employer.

Individual Employment Agreement: Where individual non union employees negotiate the terms and conditions of their employment directly with their employer.

If an employee has staff on both types of agreements (collective and Individual), the terms of the individual employment agreement must be no less favourable than those in the collective agreement.

Fixed Term Employment Agreement: This type of agreement is only legal if there are genuine reasons based on reasonable grounds for ending the employment, e.g. covering a period of maternity leave.

The following reasons are not genuine reasons for a fixed term employment agreement, namely:

- To exclude or limit the rights of an employee.
- To establish the suitability of the employee for permanent employment.

How can we help?

At **ARL|Lawyers** we have considerable experience in advising clients about employee and employer rights as set out in the Employment Relations Act 2000.

We can assist you by:

- Preparing or reviewing employment agreements.
- Representing you in negotiations of employment terms;
- Representing you at disciplinary hearings, mediation or Employment Relations Authority hearings.

If you would like more information or advice on employment agreements, please contact a member of our Disputes Resolution Team.