

## What an employment contract is

An employment contract is a legal relationship between an employer and an employee.

The employer should [check the employment status](#) of the person they're employing as it can affect what contract is needed.

## What an employer must provide in writing

By law, an employer must provide anyone who's classed as an employee with a written document.

This document must contain a summary of the main terms of employment, such as pay and working hours.

This document is often referred to as an 'employment contract'. But according to the law, the employment contract is broader than just this written document.

For example, employment law is also part of an employee's contract but usually the law will not be written in full in the document.

[What the written document must include.](#)

## When the employment contract begins

An employment contract begins once the employee starts work, even if there is nothing in writing.

The contract might begin even earlier if all of the following apply:

- someone has accepted a [job offer](#) verbally or in writing
- the offer was unconditional or they met all the conditions (for example, the employer was satisfied with their references)
- the employer set out the terms in a clear and definite way, verbally or in writing

## Terms of a contract

An employment contract is made up of:

- specific terms agreed in writing ('express terms'), such as the employee's pay and working hours
- terms that are part of employment law ('statutory terms')
- terms too obvious to be written ('implied terms') – it can still be a good idea to put these in writing, so everyone's clear about their

rights and responsibilities

- terms put into the contract from other sources ('incorporated terms') such as a staff handbook or an agreement affecting many employees

Information in the contract must follow the law. For example, stating that an employee is paid £5 per hour would be against the law, because this amount is below the minimum wage.

## Terms that are part of employment law

The employer does not need to put these types of terms into writing.

The exception is any information that must be in the written document. For example, if the employer pays an employee the minimum wage, they must display that amount in the written document.

## Terms too obvious to be written

There are some terms that are so obvious that they do not have to be written (such as not stealing from your employer).

Even if they're unwritten, these types of terms are often crucial for an effective working relationship between an employer and employee.

To prevent misunderstandings, it's still a good idea for the employer to make the following clear (for example, by writing them in an employee handbook):

- the standards of behaviour expected from employees – for example, anyone who deals with customers should be polite when doing so
- what happens if these are not met – for example, the employer will report any thefts to the police

## Custom and practice

'Custom and practice' terms are often unwritten. This type of term could become part of the employment contract, when all of these apply:

- it's generally well-known in the business or industry, usually over a period of time ('notorious')
- it's reasonable
- it's certain

For example, an employee could expect a Christmas bonus of £100 this year if their employer has paid that annually for the last 10 years, to everyone in their team.

To prevent misunderstandings, it's still a good idea for the employer to put specific custom and practice terms into writing. For example, that getting a Christmas bonus depends on the business's profit in the latest financial year.

## Terms restricting an employee's actions

An employer might state that an employee cannot take certain actions during their employment or once it ends. For example, after the employee has left, preventing them from contacting the business's customers for a certain time.

These types of terms are known as 'restrictive covenants'. They will not usually be legal unless they're clear, specific and time-restricted. Even then, this area of the law can be complex.

If you have questions you can [call the Acas helpline](#). We can help explain your options, but cannot give legal advice or tell you what to do.

If you're an employer, you should consider [getting legal advice](#) before including restrictive covenants in contracts.

## Changing or ending an employment contract

Find out about:

- [changing a contract](#)
- [ending a contract](#)