

EMPLOYMENT AGREEMENT – WHICH TYPE?

A key aspect of employing staff is ensuring that the correct employment terms and conditions are recorded and agreed by both the employer and the employee. All employment agreements regardless of the type, must be in writing.

The first consideration is whether the employment is to be permanent for a fixed term or casual?

What are the differences between each type of agreement?

Permanent Employment Agreement	Fixed Term Employment Agreement	Casual Employment Agreement
Full time or part time.	Full time or part time employment for a fixed period only.	Employment is on a casual, as required basis.
Fixed hours of work.	Must be genuine reason for fixed term. Cannot be used to assess an individual's suitability for a position.	Employee only works intermittently or on an irregular basis.
Salary or wages.	Employment agreement must specify reason for the fixed term.	Generally short term arrangements.
Entitlement to paid holidays pursuant to provisions of the Holidays Act 2003.	Employment agreement must set out how employment will end and why.	Only paid for hours worked.
Employment ongoing unless terminated in accordance with the terms of the agreement.	Examples include employee required for a special project, seasonal fluctuations in work, cover for parental leave.	Holiday pay can be paid on an "as you go" basis.
	Employment terminates at conclusion of fixed term.	Employee has no expectation of ongoing employment.
	Employment terms may provide for termination during the fixed term but should be limited to serious breach or redundancy.	Employee able to accept or refuse an engagement.
	Ensure employee has no expectation of ongoing / permanent employment.	Be careful! If casual employment becomes regular over a period, the employment may have moved from casual to part time.
	At termination ensure the original reason for the fixed term is still valid.	

This resource has been kindly provided by

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LAWYERS

If you have any questions, please call 0800 CHAMBER (0800 242 623).

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