Employment Contracts – What to Consider



Every employee must have a written employment agreement. This can be individual or collective and should be signed by both the employer and employee *PRIOR* to the employee commencing work. There are some clauses which must be in the employment contract and others which are usually in there but don't have to be such as your notice period.

There are minimum legal rights such as holidays and wage rates which even if they are not in the agreement which apply by law anyway.

There are a number of other items that you may wish to have covered and if you have negotiated something additional check carefully that the contract has been altered to reflect what was agreed. Consider the following items:

Position:

- Title, Responsibilities, Scope
- Hours of Work/ Place of Work etc
- Salary:
 - Including interval for review
- Bonus:
 - Timing, basis for determination
- Other Compensation And Incentives:
 - Profit sharing, performance, awards
- Leave
 - Annual, Sickness, Bereavement
- Other Key Benefits:
 - Insurance, Medical, Superannuation/ Kiwisaver
 - Vehicle, Car Park, Phone, Expenses, Memberships etc.
- Termination Provisions:
 - Without cause, with cause (definition)
 - Voluntary period of notice
 - Change of control of company Employee Protection Provision
 - Outplacement/ Career Transition Services
 - Redundancy payments
- Non-Compete Clause/ Restraint of Trade
- Confidentiality Obligations

For more information on what must be included and optional clauses refer to MBIE's website. www.employment.govt.nz/starting-employment/employment-agreements