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ARE YOU FAMILIAR WITH YOUR EMPLOYMENT CONTRACT

Most Employers and Employees in New Zealand know that it is a legal requirement to have a written Employment Contract.

Despite that the most recent statistics available from June 2016 indicated that there was still 171,000 Employees in New Zealand who do not have a written Employment Contract.

The Employment Contract sets out the terms and conditions of the relationship between the Employer and the Employee.

It really is a very important document that many take for granted or have a very relaxed attitude as the above statistic illustrates.

An interesting statistic which is not available is, of those who have written Contracts how many were written by professionals as opposed to the Employer searching Google and cut and pasting their own Contract together. This is a very dangerous practice that should be avoided.

In the event there is a dispute between the Employer and the Employee the first place to look for the answers in an attempt to resolve such a dispute is the written Employment Contract.

For an Employer if you don't have a written Employment Contract with that Employee you are already on the back foot.

So even before you have taken advice on the substance of the dispute you are already in breach of the Employment Relations Act because you don't have a written Employment Contract.

An Employment Contract has so many advantages for both the Employer and Employee.

It is the best opportunity for you to have recorded what you can and cannot do in many circumstances. For example you cannot deduct funds from an Employees pay without having a specific Clause authorising you to do so. This must be contained in your Employment Contract which must be argued by the Employee.

In order to rely upon the 90 day trial period, the 90 Day Trial Period Clause must be contained in the written Employment Contract.

These two examples illustrate the importance of having a good comprehensive and detailed written Employment Contract.

We recommend you have a professionally written Contract. The author of your Employment Agreement can provide it in a template form so you can use it for all Employees although you should take advice on whether variations are needed depending on the position of each Employee.

If you would like assistance reviewing your existing Employment Contract or drafting new Contracts please contact our Employment Law Team. A small investment now may avoid significant expense later if you don't.

20 MINUTE FREE

WANT to review your Family Trust structure?
THEN call us and take advantage of our 20 Minute Free interview