EMPLOYMENT CONTRACTS

For simple employment situations, you should be able to write a valid contract yourself. All you

have to do is spell out the details of the agreement – who will do what and what will each party

get in return for agreeing to the contract.

No matter who prepares the contract, it should include…

1. Date of the agreement

2. Legal names of the parties to the agreement - the name of the employee and your company’s

legal name

3. Statement of agreement - this can be as simple as “The parties agree as follows:” If

a lawyer drafts your contract, expect more complex wording.

4. Employment and term - the position for which the person is being hired and the term of the

employment. Often this just reads “The term of this agreement begins on [date] and continues

until terminated in accordance with [the section setting out the terms of termination].

5. Duties and Responsibilities - list the duties and responsibilities for the employee. Start

with the overall responsibilities of the job. When you list the duties, begin the list with the phrase

 “Duties shall include, but are not limited to…” and then do your list. You may also add the

non-specific “and any other duties as assigned” at the end to cover off the things you did not

think of. This section often also includes paragraphs that say that the employee will follow company policy, devote his or her full effort to the requirements of the business and serve with his or her best efforts. Lawyers will often use this wording so that if an employee fails to do any of these things he/she is in breach of contract and can be dismissed for cause.

6. Pay and benefits - include the salary or hourly wage, a list of benefits or a reference to a

benefits pamphlet or contract and, if it applies, a provision for reimbursement of reasonable

expenses incurred in carrying out the duties of the job.

7. Termination - when does the agreement end? Is it short term [less than 12 months] or long

term. If it is long term [e.g.: to retirement] you should still put in and ending date such as “the last

day of the month in which [the employee] turns 65”. You should also have provisions for

terminating the agreement earlier. These normally include

\* Mutual agreement in writing

\* Immediate termination for cause where cause is defined as “failure of the employee to make

himself/herselt available as agreed except for periods of disability, gross misconduct on the part of the employee, and any violation of the agreement by the employee that is detrimental to [the

employer].”

\* Some formula based method of determining a notice period for “not for cause” termination.

8. Signatures and dates - the agreement must be signed by all parties. The signatures must be

witnessed by someone who has no interest [financial] in the agreement - usually someone who

is not a relative. The signing must be dated.