



FACTSHEET 15

Being a Good Employer

This factsheet should be read in conjunction with **Factsheet 14: Recruiting Staff; Factsheet 17: Insurance; Factsheet 5: Equal Opportunities ; Factsheet 16: Health & Safety**

The whole subject of employing staff is very complex, but this factsheet will outline some of the basic areas, acting as a guide rather than a final reference point.

1. Definition of a Contract

You are obliged to give a written principal statement to an employee within 2 months of their starting work. However, just because you don't create a full written contract (the principal statement and terms and conditions of employment) doesn't mean that it doesn't exist. A contract exists as soon as you offer the job. This contract would be the statutory minimum terms and conditions as outlined below. Having everything written down simply clarifies the situation for both the employer and the employee. There are many different ways of employing staff to run the services and activities of your organisation. The main two types of contract are:

Permanent which as the name suggests means the contract has no fixed end date. You can include a sentence in the contract that clarifies that the job is permanent subject to continued funding.

Fixed-term If you have funding for a specific project, you may wish to offer a fixed-term contract which runs for as long as the funding does. The contract would include the expiry date when the job would end. If the

contract is for more than two years, you can include a clause which means the employee waives the right to claim redundancy payments when the contract expires.

Within these two types of contracts there are many different ways of working. Some of these are: **full-time, part-time, job-share** (two people sharing a full-time post), **term-time hours only**. Where a post is 17.5 hours of a 35 hour week then s/he will be entitled to half the pay for that post. It can be of great benefit to you and your employees if you can offer flexible working patterns. then s/he will be entitled to half the pay for that post. It can be of great benefit to you and your employees if you can offer flexible working patterns.

2: What is contained in a Contract?

All the details about the employees working conditions will be included. The main elements of this may be outlined in what is called the "principal statement" of the contract and then further details in the "Terms and Conditions". We have detailed some of the standard areas included in a contract. For each element we have included what the law states you must do (Look for the ü symbol) and then some information on what is good practice (The ✓ symbol). Offering an attractive employment opportunity with a good salary, generous holiday and good working conditions will attract good quality candidates.

Being a Good Employer

However, you must always be realistic about what your organisation can afford. Model contracts of employment are available from VAM.

Hours ▲ The maximum number of hours an individual may work is 48, averaged over a 17 week period. There are exceptions to this rule, and if you think this will affect you ring VAM for further information.

✓ It is up to your organisation how many hours you expect your employees to work. You would usually have a standard working week for all employees. Remember 9am - 5pm isn't necessarily going to be your working week if you run evening activities. Working specific core hours e.g. 10am - 2pm, with other hours arranged around that can be very useful for staff who have caring responsibilities. If staff work more than their required hours, you may wish to include provision for **Time Off In Lieu** (TOIL).

Pay ✓ The minimum wage is set out in legislation. You must operate a **PAYE** (Pay As You Earn) system, if the employee's earnings are above the thresholds for tax and National Insurance. (See Further Information section at the end of this sheet and also Section 8 of Factsheet 14: Recruiting Staff)

▲ Compare the "going rate" for the job you're offering by looking at job adverts to see what other organisations pay. You may wish to offer a generous salary, but you must be able to afford it. Remember to take into account pay increments and inflationary increases. VAM has copies of the current National Joint Council (NJC) payscales which the local authority and many voluntary organisations use. These are amended every year to include the cost of inflation.

Holidays ✓ An employee who has been in post for three months is entitled to four weeks paid holiday a year, e.g. if your employees work a six day week this would mean 24 days holiday. This does not include public holidays (Bank Holidays).

▲ You need to be realistic about what you can afford to offer in the way of holiday entitlement. If you require your staff to work Bank Holidays then you would usually give the equivalent time off on another day.

Sick Leave ✓ An employee is entitled to **Statutory Sick Pay** (SSP) when s/he has been off sick for four or more days in a row. The rules about SSP are very complex, so you might wish to contact the **Dept of Social Security** (DSS) office for more information.

▲ Some organisations specify what the employee will receive when off sick, over and above the statutory minimum. This can be full pay for a specified period (sometimes up to three or six months), then half pay for a further period. Again be realistic about what you can afford and take into account that you will probably have to pay to cover the post during a long period of sick leave.

Parental Leave

▲ **Maternity Leave** A woman who is pregnant is entitled to 18 weeks "ordinary leave" regardless of length of service. If she has been employed for a year by the 11th week before the expected week of childbirth she can take additional leave up until the 29th week after childbirth.

Statutory Maternity Pay (SMP) This is the payment due to the employee during maternity leave. The rate is 90% of her salary for the first six weeks, and then a set rate for the next 12 weeks (These rates change - check with DSS). Small employers can be reimbursed for much of this. Contact your local Inland Revenue office for further information.

✓ Again, in the contract of employment you can offer more than the statutory minimum. As with sick leave, you must consider what the organisation can afford and balance this with offering good terms and conditions.

▲ **Paternity Leave** There is no current law that gives provision for time off for fathers after the birth of their child. Parental leave is a different kind of (unpaid) leave that parents can take in order to look after a sick child or to make arrangements for the child's welfare. Employees who have a baby or adopt a child on or after 15 December 1999 and who have worked for the organisation for a year are entitled to this leave (13 weeks for each child).

✓ You could offer a set number of days paid or unpaid leave around the time of the birth. You may wish to find other ways to support staff who have children by offering part-time work or a job-share if they wish or offer flexible ways of

working, such as working from home one day week if this is feasible.

Pensions ▲ Currently there is no obligation to offer staff a pension. From April 2001, you have to offer access to information regarding pensions to all staff. This does not mean that you will have to contribute to the pension.

✓ However, more and more employees are aware of the importance of pensions, given the probable shortfall of the state pension in the future. People looking for a new job will weigh up the benefits of an adequate salary with good pension provision, against a more generous salary with no pension provision. Offer a pension to which the organisation makes a contribution, if you can afford it.

3: Managing Your Staff

In addition to the Contract and Terms and Conditions there are other issues that will affect your employees:

Insurance As an employer, you are required by law to have employer's liability insurance. (See **Factsheet 17: Insurance**)

Paperwork You are legally required to keep payroll and National Insurance contributions records and it is good practice to keep records of holiday and sick leave.

Supervision Employees need to be properly supervised so that work is properly planned, carried out and monitored. Supervision is also a mechanism for supporting staff and highlighting and working out any problems. You must make it clear who the supervisor will be, how often supervision will take place and how it will be carried out. It is useful to keep records of supervision sessions.

Organisational Policies These are the formal written documents that outline the processes by which the work of the organisation is undertaken. All the organisations' policies will have an impact on staff. These are some of them: Equal Opportunities (**see Factsheet 5: Equal Opportunities**) Your staff need a good understanding of Equal Opportunities and how it affects their work.

Health & Safety (**see Factsheet 16: Health & Safety**) This policy will give details of working

conditions and what is expected of staff in relation to health and safety; and other details such as whether the workplace is a non-smoking building etc.

Disciplinary & Grievance Procedures These are the mechanisms by which the organisation deals with problems between employees and the organisation. The disciplinary procedure shows the steps the management would take in the event of a complaint against an employee or in the case of poor performance by the employee. If the employee has a problem with the way s/he is treated at work, the grievance policy outlines how such a complaint would be dealt with.

Training & Staff Development This might include information on promotion, regrading of posts and procedures for staff training requests etc.

4: Further Help

Inland Revenue Employers Helpline 08457 143 143

FURTHER HELP

Dudley Council for Voluntary Service
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www.dudleycvs.org.uk