

## FACTSHEET: INTRODUCTORY CONTRACT PROVISIONS

All employment contracts begin with an introductory section which sets out key background material on the people making the contract and other matters. This factsheet provides examples of clauses you might want to include in the introductory section your employment contracts.

- **Parties to the contract** are the people agreeing to the contract. The employee is one party and the employer is the other party to employment contracts.
- **Contact details and other employee details** should include phone numbers and the employee's VNPF number. Having the employee's VNPF number before starting employment is important to avoid the problem of not being able to pay VNPF because the employee has not supplied you with this number.

The employee's bank account details, if money is to be paid by direct deposit, is also useful to include.

- The **employee's job title and duties** are suggested to clarify the scope of employment, and to help to renegotiate pay and other conditions if the nature of the employee's work changes in the future. Employers may wish to include detailed job descriptions and/or workplans as attachments to the contract.
- **The nature of the contract (full time/part time/casual)** can be useful to include because although categories are not clearly defined in law, benefits vary depending on how many days per week an employee works and how regular their employment is. A statement that the employee is not full time can therefore be useful. This statement will then need to be accompanied by more details as to hours of work and other benefits in later sections of the contract.
- The **start date** is useful as it provides a very clear record of when benefits start to accrue. **If the contract is going to be made for a fixed term an end date** is also very useful (rather than just stating the contract is for xx number of years) as this also provides clarity and certainty. If you want to agree a process for deciding about **renewal of the contract** this can also be included here.
- A **probation period** of up to **6 months** is allowed under the Employment Act (section 14(1)). You are **not allowed** a probation period of longer than 6 months. The length of the probation period must usually be stated in the contract. During this period either party can terminate the contract without notice and without stating a reason. Probation periods are useful because they give both parties a chance to trial whether they work well together.

Other preliminary matters that you want to be sorted out before you fully formalise the employment relationship can also be included in the introductory section. For instance, if you require your employee to provide a police clearance certificate you could include a clause about this.

**IMPORTANT NOTE TO EMPLOYERS:** The following text boxes provide example clauses that you can use as the basis for writing your own contracts. You can amend the clauses to suit your own situation. Please **do not** just paste any of these clauses into your employment contracts without carefully reviewing them to ensure they meet your needs.

**EXAMPLE 1: INTRODUCTORY SECTION TO A FIXED TERM PART TIME CONTRACT, WHERE THERE IS NO NEED FOR BANK ACCOUNT DETAILS AS THE EMPLOYEE IS BEING PAID IN CASH. THERE IS A 3 MONTH PROBATION PERIOD.**

1. The parties to this contract are *Bizniz* (the employer) and *John Doe* (the employee).
2. 1 Contact details for the employer are: phone 12345678
- 2.2 Contact details for the employee are: phone 98765432  
VNPF number
3. The employee is employed as a hairdresser. A full job description is attached as appendix 1.
4. The employee is engaged on a part time basis, working 3 days per week. Further details as to days and hours of work are provided in clauses xx – xx below.
5. The employee is employed for a fixed term of 2 years. The start date of the contract is 2 March 2014. The end date of the contract is 2 March 2016.
6. The contract is subject to a probation period of 3 months. During this period either party can terminate the contract without giving notice at any time.

**EXAMPLE 2: INTRODUCTORY SECTION TO AN OPEN ENDED FULL TIME CONTRACT, WHERE BANK ACCOUNT DETAILS ARE PROVIDED AS THE EMPLOYEE IS BEING PAID BY DIRECT DEPOSIT, OPEN ENDED CONTRACT, 2 MONTH PROBATION PERIOD.**

1. The parties to this contract are *Bizniz* (the employer) and *John Doe* (the employee).
2. 1 Contact details for the employer are: phone 12345678
- 2.2 Contact details for the employee are: phone 98765432  
VNPF number  
Bank  
Bank account name  
Bank account number
- 2.3 Parties must inform each other immediately if any contact details change.
3. The employee is employed as a hairdresser. The main duties are cutting and colouring clients' hair. The employee will also be expected to assist on the reception desk and assist in keeping the salon clean.
4. The employee is engaged on a full time basis. Further details as to days and hours of work are provided in clauses xx – xx below.
5. The employee is employed on an open ended contract. The start date of the contract is 2 March 2014.
6. The contract is subject to a probation period of 2 months. During this period either party can terminate the contract without giving notice at any time.