

EXAMPLE FIXED TERM CONTRACT FOR FULL TIME EMPLOYEES

IMPORTANT NOTE TO EMPLOYERS: Please do not just paste any of these clauses into your employees' work contracts without carefully reviewing them to ensure they meet your needs.

The example can easily be changed to an open ended contract by changing clause 3 so that only a start date is stated. The annual leave clause (clause 15) should also be changed to show the increasing nature of leave with length of service.

Contract of employment between _____ (the employer) and _____ (the employee).

Nature of work

1. The employee is employed as _____.
2. The description of duties is attached.

Term of the contract

3. This contract is for a period of **XXX**. It commences on _____, and unless terminated earlier in accordance with this contract, terminates on _____.

Hours of work and overtime

4. The employee's regular hours of work shall be _____. Lunch breaks shall be taken _____.
5. The employer may require the employee to work up to four (4) hours of overtime per week. The employer must give at least one day's notice that overtime will be required.
6. With agreement of both the employer and the employee further overtime in excess of four hours may be worked.

Wages

7. The employee shall be paid _____ per hour of work as specified in clause 4. Lunch breaks shall be unpaid.
8. Overtime (in excess of the hours stated in clause 4) shall usually be paid at a rate of 1.5 times the normal hourly wage stated in clause 7, except that overtime occurring between 20.00 – 04.00 shall be paid at a rate of 1.75 times the normal hourly wage stated in clause 7.
9. Employees who have no unauthorized absences from work in a week shall be paid an attendance bonus of _____.
 1. Unauthorized absences include
 - a. failing to attend work during the hours specified in clause 4 without a reason such as sickness
 - b. failing to remain on an assigned job site at all times
10. Wages and bonuses shall be paid period (weekly, fortnightly, monthly) on the day of payment. Wages will be paid method (in cash, by direct bank deposit) at place of payment.

Advances

11. Advances of up to one month's wage and bonus can be applied for and may be granted by the employer.
12. All advances must be repaid according to the repayment schedule signed at the time of giving the advance. Repayments shall not exceed one third of the employee's regular wage.

Deductions

13. Vanuatu National Provident Fund shall be deducted from the employee's wage at the rate required by Vanuatu law (currently 4%).
14. In the event that the employee willfully or negligently loses or damages any material or property of the employer the employee shall be required to reimburse the employer for the loss or damage
 1. Provided that
 - a. no deductions shall be made for willful or negligent loss or damage unless those deductions are first authorized by a labour officer; and
 - b. the amount of the deduction shall not exceed one third of the employee's regular wage.

Leave

15. The employee is entitled to 1.25 days of paid annual leave per month worked. The date for the annual leave to be taken shall be fixed by the employer, who shall in so far as it shall be practicable in the circumstances of the undertaking, comply with the employee's request in this respect.
 1. Employee requests for periods of leave must be made 2 weeks in advance of the proposed date of leave in order to be considered.
16. The employee is entitled to up to 21 days of paid sick leave per year. Sick leave will only be paid if:
 1. The employee informs the employer that he or she is unable to work as soon as possible (within 4 hours of being absent due to sickness); and
 2. If the employee is sick for more than 2 days a medical certificate is provided.
17. The employer can, at its own expense, require the employee to be examined by a medical practitioner at any point.
18. Maternity leave shall be provided in accordance with the Employment Act [Cap 160].

Termination

19. The contract can be terminated at any time by either party by giving 2 weeks notice.
20. If an employee is absent for more than 1 day without contacting the employer to explain the absence, or if the employee fails to turn up for work without reasonable prior explanation after the employer has expressly ordered him or her to recommence work after a period of leave then, through this action, the employee will be deemed to have resigned and the employment relationship shall cease.
21. The contract can be terminated by the employer immediately in the event of serious misconduct by the employee. Serious misconduct includes
 - Theft from the workplace

- Undertaking outside jobs during working hours
- Continued failure to be present at assigned job sites
- Being drunk at work
- Fighting with staff members or customers
- Sexual harassment of staff members or customers
- Failure to follow lawful orders
- Any behaviour that brings the employer into disrepute

22. Before any such termination the employer will give the employee an adequate opportunity to answer any charges, and will consider all explanations.

23. If the employer tries to get in touch with the employee 3 times by telephone message, messages with family members or visits to the employee's house, but is unable to get in touch with the employee, then the employer will be considered to have taken reasonable steps to give the employee adequate opportunity to explain his or her absence and may terminate the contract for serious misconduct.

Payments on termination

24. Severance allowance will be paid by the employer in accordance with the Employment Act.

25. Unused annual leave will be paid by the employer in accordance with the Employment Act.

26. All outstanding advances made by the employer to the employee must be reimbursed.

27. All authorized payments for willful or negligent damage or loss to the employer's property by the employee must be settled.

Signed (date)