



Advanced



People



Management

Fixed-Term Contracts of Employment: Explained

We offer a quality service at a price that all businesses can afford

Legal Disclaimer

Our eBooks guides and templates explain the general requirements of the employment relationship and are not a detailed explanation of employment law. We outline the minimum mandatory requirements that no employer can fall below, requirements that need to be in place within all organisations, large or small that employ people. It is essential that you get independent legal advice, for any specific individual situation and issue. Our eBooks, guides and templates give general outlines only and do not constitute specific, individualised legal advice.

Advanced People Management is a competitively priced HR and Employment Law consultancy. We specialise in Employment Relations, Employment Law and Employment Tribunal representation for all businesses. With the support of our professional HR Managers and Employment Law Litigators (all CIPD accredited), our work focuses on employee relations and employment law; making sure your business understands its legal requirements around:

- ❖ All UK Employment Legislation and the legal rights employees have
- ❖ Contracts of Employment including Company/Employee Handbooks
- ❖ Drafting Policies and Procedures specific to your business needs
- ❖ Investigations: how they should be done when problems arise
- ❖ Disciplinary Procedures
- ❖ Grievance Procedures
- ❖ Short and Long-Term Absence Management
- ❖ Conduct and Capability Issues
- ❖ Appeals
- ❖ Help with Employment Tribunal Claims Documentation
- ❖ Employment Tribunal Litigation and Full Representation

Contact Us:

Tel: 07977 234796

Email: info@advancedpeoplemanagement.co.uk

www.advancedpeoplemanagement.co.uk

All of our eBooks, guides and template documents are available in Microsoft Word. If you require them contact us: info@advancedpeoplemanagement.co.uk and we will send them out to you.

But remember we will want to sign your company up as a customer so be prepared for a phone call off one of us trying to get some business out of you.

'Just being honest that's all'

Fixed-Term Contracts of Employment: Explained

Fixed-term contracts can be beneficial to companies for a number of different reasons including cover while a permanent member of staff is off due to maternity or sickness, where you require someone to complete a specific task or in instances where the long-term position is uncertain. There are problems involved in using fixed-term contracts and employers should consider using permanent contracts of employment if at all possible.

A fixed-term contract is a contract of employment which terminates on a specific date, or on completion of a specific task or when a permanent employee, who the fixed-term employee has replaced, comes back to work, or the funding for the role runs out or the contract ends when any seasonal demand has been met.

Fixed-term contracts can, therefore, provide employers with certainty and flexibility over their workforce, where employers can take advantage of the benefits of extra labour for a specific period and reason that is outlined in the contract. (APM do have a Fixed-Term Contract template available to download on the APM website)

As well as having the usual rights which permanent employees have, employees working under a fixed-term contract of employment have a number of specific rights afforded to them via the ***Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002***.

Depending on their continuous service levels, they may have the right to have their employment converted to permanent rather than fixed-term status. Employees may also, depending on the length service, have the right to redundancy pay and have protection against unfair dismissal under their fixed-term contract.

Employees under a fixed-term contract have protection against less favourable treatment in the workplace if that treatment is due to their fixed-term status. This means that no employee with a fixed-term contract should be offered lesser rights than a comparable permanent employee unless the employer can justify that less favourable treatment.

Less favourable treatment can relate to the terms included in a fixed-term contract or any other detriment suffered by the employee compared to the permanent employee. 'Any other detriment' can be around dismissal, harassment, bullying, exclusion from promotion opportunities and, importantly, selection for redundancy because the employee is working under a fixed-term contract.

It is a very complicated area of law which is not straightforward for example, an employee with a fixed-term contract will only be able to bring a claim for less favourable treatment where that treatment is as a result of their fixed term status and where the treatment cannot be objectively justified. The law around fixed-term rights is very loosely drafted.

For example, a fixed-term contract excluding the right to be included in a pension scheme might be regarded as 'objectively justified' when the employer considers the initial start-up fee that is incurred at the start of employment would outweigh any benefit payable under the scheme. Equally, an employee with a fixed-term contract could still be selected for redundancy from a pool including permanent employees if their selection was for a reason other than the fact they work under a fixed-term contract.

Unless the employer can justify otherwise, an employee working under a fixed-term contract who has been employed by that employer continuously on successive fixed-term contracts for four or more years will be regarded as a permanent employee.

Once the expiry date of the contract is reached and a non-renewal is decided upon the fixed-term contract is regarded in law as a dismissal. This means that any employee working under a fixed-term contract for over two years can bring a claim for unfair dismissal so employers have to be very careful how they dismiss an employee on a fixed-term contract if that employee has been on that contract for 2 years or more.

As a result, an employer should give the employee the correct notice and follow a fair dismissal procedure.

Legal Disclaimer

Our eBooks guides and templates explain the general requirements of the employment relationship and are not a detailed explanation of employment law. We outline the minimum mandatory requirements that no employer can fall below, requirements that need to be in place within all organisations, large or small, that employ people. It is essential that you get independent legal advice, for any specific individual situation and issue. Our eBooks, guides and templates give general outlines only and do not constitute specific, individualised legal advice.

If you want us to send you this document in Microsoft Word please email us at:

info@advancedpeoplemanagement.co.uk