Employment contracts and the law

What an employment contract is

A contract between an employer and an employee is a legally binding agreement. This could be a 'contract of employment' or a 'contract of service'.

An employment contract can be agreed:

- verbally – this is when it's agreed through conversations
- in writing – for example, a job offer letter or through emails

Parts of an employment contract can also be agreed through conduct. This is when people's actions show there's an agreement, even though they have not written it down or spoken about it.

The difference between an employment contract and a written statement

By law (Employment Rights Act 1996), anyone legally classed as an employee or worker has the right to a 'written statement of employment particulars'.

A written statement includes the main terms of someone's employment, for example pay and working hours.

This document is often referred to as the 'employment contract'. But by law, the employment contract is broader than just the written statement.

For example, an employment contract might also include:

- other clauses – for example about keeping sensitive company information confidential
- the organisation's code of conduct
- policies – for example on social media or GDPR

Those legally classed as workers do not have the right to a written statement if they started the job before 6 April 2020.

[Find out more about the written statement](#)

When the employment contract begins

An employment contract begins when the employee starts work.

This is the case even if the employer has:

- failed to give the employee their written statement
- not put any other parts of the employment contract in writing

The contract might be formed earlier if all the following apply:

- the employer set out the terms of the job in a clear and definite way, verbally or in writing
- the job offer was unconditional or the person met all the conditions – for example, the employer was satisfied with their references
- someone accepted the job offer verbally or in writing