

## **CONTRACTS OF EMPLOYMENT AND CONTRACTS FOR SERVICES**

The Association of Optometrists (AOP) is sometimes called upon to help when employment problems arise. The AOP can act as confidant, conciliator and/or arbitrator, but the effectiveness of this service will depend upon advice being sought at an early stage. Unresolved disputes can result in tribunal hearings with the attendant commitments of time and cost.

### **Contract of employment**

All employees should be given written contracts of employment as evidence of the agreed terms. This will be important if disputes arise. A specimen contract of employment and guidance notes are available from the AOP. The specimen contract is suitable for all staff and additional clauses are provided for professional staff and pre-registration optometrists.

### **Written statement of particulars of employment**

All employees must be given a written statement of particulars of employment not later than two months after starting work. The details to be provided are covered in the notes which accompany AOP's specimen contract of employment. Failure to provide a written statement does not itself give rise to a claim, but if the employee claims something else, for example, unfair dismissal, the tribunal can add up to 4 weeks pay to the award, where no written statement has been provided to an employee.

### **Contract for services**

A contract for services is a contract between a practice and a self-employed worker, e.g. a locum optometrist or dispensing optician who is working or standing in for someone on a temporary basis. A specimen contract for the services of a locum, together with guidance notes, are available from the AOP.

Self-employed status should not entitle the locum to the same employment protection rights as an employee, but the law will extend employment protection to self-employed workers in certain circumstances. Locums and those engaging them should ensure that the Her Majesty's Revenue and Customs (HMRC) is willing to treat them as self-employed. Many persons so classified may, in reality, be (by their work pattern) either part-time or full-time employees. It is the employer's duty to ensure that HMRC accept the locum's self-employed status. Failure to do so may result in the employer being required to pay the due Income Tax and National Insurance.

### **Note**

- (1) Businesses should seek legal advice before terminating contracts of employment and contracts for services. There may be complex issues involved, for example a locum could be treated as self-employed for taxation purposes, while at the same time having employment rights under employment law. Failure to seek legal advice at the right time could result in costly claims against the business.

- (2) Employees and locums should seek legal advice independent of the company they have worked for when their contract of employment or contract for services is terminated.

Members who engage optometrists and dispensing opticians, whether as employees or self-employed, should ensure that they are members of the Association of Optometrists, to guarantee adequate professional liability insurance cover for the business.

Copies of the AOP's specimen contract of employment and contract for services are available to members in Word format to facilitate drafting your own contracts. These can be e-mailed free of charge, upon request. Please contact the AOP Membership Department.

**Please note:** The Association of Optometrists has made every effort to ensure that the information in this specimen contract is correct, however, we cannot accept any liability for the accuracy or content. People relying on this specimen contract do so at their own risk, but you may check with the Association for guidance.

Rev. 4/2.2007