



# Contracts of Employment (Written Statements and Payslips)

Note: This publication is intended to provide general guidance only. It does not constitute legal advice and should not be relied upon as doing so.

**Advisory Officers, at the Employment Relations Service, can offer confidential and free advice on all aspects of employment law and employment relations.**

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## Overview

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### Introduction

Every employer must give to each eligible employee a written statement containing details of the main terms and conditions of employment regardless of the number of hours worked.

### What Should the Written Statement Contain?

The written statement must specify the names of the employer and employee and the date when the employment commenced.

The statement must also provide details on the following terms and conditions of employment:

- (a) the scale or rate of remuneration, or the method of calculating remuneration (including overtime rates, shift pay and other pecuniary benefits)
- (b) the intervals at which remuneration is paid (that is, whether weekly, monthly or by some other period)
- (c) any terms and conditions relating to hours of work (including any terms and conditions relating to normal working hours)
- (d) any terms and conditions relating to:
  - (i) entitlement to holidays, including public holidays, and holiday pay (the particulars given being sufficient to enable the

employee's entitlement, including any entitlement to accrued holiday pay on the termination of employment, to be precisely calculated)

- (ii) incapacity for work due to sickness or injury, including any provision for sick pay
- (iii) pensions and pension schemes
- (e) the length of notice which the employee is obliged to give and entitled to receive to terminate his contract of employment or (if the contract is for a fixed term) the date of expiry
- (f) the title of the job which the employee is employed to do
- (g) any terms and conditions relating to maternity pay, maternity leave and the employee's right to return to her job after confinement

The Law does not lay down **minimum** terms and conditions of employment to be provided by the employer in respect of certain specific clauses (e.g. there is no minimum amount of sick pay, holiday pay or requirement to be provided with a pension.) The Law simply requires employers to record in writing the details of the main terms and conditions and issue them to their employees. However, employers should be aware that there are **exceptions** to this as follows:

1. There is a legal requirement to provide and be provided with **minimum periods of notice**, which are prescribed under the **Employment Protection (Guernsey) Law, 1998**.

The minimum periods of notice required to be given by either an employer or an employee to terminate a contract are:

<u>Period of Employment</u>	<u>Notice Period to be given</u>
less than 2 years	1 week by either party
2 – 5 years	2 weeks by either party
5 years or more	4 weeks by either party

Where the contract of employment requires a period of notice greater than the minimum required by the Law, then the contractual period of notice will apply.

The above requirement to provide and be provided with a minimum period of notice does not apply in the case of a contract of employment to undertake a specific task not expected to last for more than three months, or a fixed term contract lasting for three months or less.

2. **The Minimum Wage (Guernsey) Law, 2009**

It is a legal requirement for a worker who works, or ordinarily works, in Guernsey under a contract to be paid not less than the minimum wage in any pay reference period.

**3. The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016** gives eligible employees the statutory right to the following:

- basic statutory maternity / adoption leave of 12 weeks
- an enhanced period of 26 weeks maternity / adoption leave in total for employees who have worked continuously for the same employer for at least 15 months at the beginning of the 11<sup>th</sup> week before the due / placement date
- a period of two weeks compulsory statutory leave after childbirth or adoption (which forms part of the basic maternity / adoption leave)
- the right to return after leave to the original job or a suitable alternative
- up to ten days keeping in touch days
- for pregnant employees; the right to time off for ante-natal appointments during working hours

In addition the partner of an employee who is entitled to basic maternity leave has a right to take two weeks' maternity support leave. To qualify the partner must have 15 months continuous service beginning at the 11<sup>th</sup> week before the employee's due/placement date.

Employers should ensure that they have a full maternity and adoption leave policy which meets the requirements of the Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016.

## What is the Purpose of Written Statements?

Written statements are designed to ensure that both employer and employee are fully aware of their respective rights and obligations. This will in turn assist with the avoidance of any disagreements which might occur at some time in the future over the terms and conditions of employment – any disagreements can easily be resolved by reference to the statement.

## Which Employees are covered by the Law?

The duty to provide written statements applies to both new and existing employees. In the case of a new employee, the statement must be given within **four weeks** of commencement of the employment. However, in the interests of good employment relations, and to ensure both parties are aware of their respective rights and obligations from the outset of the employment, employers are **strongly** advised to issue all employees with written statements on or before the employee's first day at work.

## What about Written Contracts?

The legal requirement to be provided with a written statement does not apply if an employee has a written contract of employment **which includes all the details which must be included in the written statement** (see Section entitled ‘**What Should the Written Statement Contain?**’). The employee must be given a copy of the contract within 4 weeks of commencement of the employment. The copy must be kept up-to-date.

## What if Changes to the Written Statement/Contract Need to be Made?

Where any material change occurs to the original terms and conditions of employment as set out in the written statement or contract of employment, the employer must provide the employee with written particulars of the change(s) within a period of 4 weeks from the change occurring, or alternatively issue the employee with a revised and updated written statement or contract. However, we would refer you to the Employment Guide ‘**Varying Terms and Conditions of Employment**’ before making any changes.

## What about Other Documents, e.g. Staff Handbooks?

A written statement may, for all or any of the particulars to be given in the statement, refer the employee to some other document or handbook, which the employee has reasonable opportunities of reading in the course of the employment or which is made reasonably accessible in some other way (e.g. on a notice-board or intranet).

A written statement could, for example, name the employer and employee, give the job title and date on which the employment began and then state “All other terms and conditions are in accordance with the Annual Agreement between the Employers’ Association and the Union, a current copy of which is displayed on the staff notice-board”. That is, of course, provided the Agreement covers all the other terms to be detailed as required by the Law.

## What about Payslips?

In addition to providing a written statement of the main terms and conditions of employment, employers must provide **every** employee with a detailed statement of pay (wage slip).

An employee’s wage slip must contain the following details:

- (a) the gross amount of wages/salary paid

- (b) the amount of each deduction
- (c) the reason for each deduction (e.g. tax, insurance, board and lodgings etc)
- (d) the total amount of all deductions
- (e) the net amount of wages/salary paid after the deductions have been made
- (f) the date on which the net amount of wages/salary is to be paid

In addition, the statement of pay must be written and legible (preferably typed). However, statements of pay do not necessarily need to be given in paper form and may be sent by email.<sup>1</sup> Best practice would suggest that the employee's acceptance of receiving payslips electronically should be obtained before this system is implemented. Consideration would also need to be given to storage and distribution of payslips to ensure confidentiality.

It should be noted that the gross pay mentioned in (a) above includes payments for overtime, shift work and any other pecuniary benefit payable under the contract of employment.

The statement of pay must be given **on or before** the date that the payment is to be made.

## Failure to Comply with the Law

### Powers of Enforcement

Where any person, authorised in writing by the Committee *for* Employment & Social Security, has reasonable cause to suspect that an employer has failed to comply with the provisions of the Law, he may enter at any reasonable time any land which is occupied by the employer, or in which the employment in question is being undertaken, or where he believes there to be relevant evidence. The Officer, and any person accompanying him, may require the employer or other employees to reply to questions, and furnish necessary information or documents and provide any necessary assistance for the investigation. The Officer may also take copies of documents or seize them.

### Penalties

There is a maximum penalty equal to Level 4 on the Uniform Scale of Fines where an employer fails to issue written statements or keep them up-to-date in accordance with

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<sup>1</sup> The Interpretation (Guernsey) Law, 1948  
The Electronic Transactions (Guernsey) Law, 2000, as amended

the provisions of the Law. The same fine applies where an employer does not issue all employees with wage slips detailing all earnings and deductions.

If, during any investigation, a person fails to produce any required information or documentation, obstructs any investigation, tampers with any of the evidence, makes a false, deceptive or misleading statement, or allows false, misleading or deceptive information or documents to be produced, there is a maximum penalty equal to Level 5 on the Uniform Scale of Fines or imprisonment for a term not exceeding three months, or both.

(For more information relating to the Uniform Scale of Fines, please contact the Greffe.)

## Examples of Written Statements/Wage Slips

Attached to these guidance notes are four forms:

**FORM 1** is an example of a written statement which could be used by an employer. It details the **12** categories an employer must include in the employee's written statement as required by the Conditions of Employment (Guernsey) Law, 1985.

**FORM 2** is an example of a receipt which confirms that the employee has received a copy of the written statement.

**FORM 3** is the same as FORM 1 but with the various headings left blank.

**FORM 4** is an example of a statement of pay (wage slip). This should provide details of all the payments being paid to the employee together with all the deductions. The amounts of each payment and deduction should be shown as well as an indication of what the payment or deduction is for. Other details which must also be provided on the wage slip include the gross amount being paid, the total of all deductions taken, the net amount the employee is to receive and the date the wages are to be paid. The wage slip must be written and legible. (A typed wage slip is advisable.)

## FORM 1

### EXAMPLE OF A FORM FOR USE AS A WRITTEN STATEMENT BY EMPLOYER

This statement sets out particulars of the terms and conditions required to be given in accordance with the provisions of Section 1 of the Conditions of Employment (Guernsey) Law, 1985 (as amended).

1. **Name of employer**
2. **Name of employee**

3. **Date employment commenced**

4. **Job Title**

5. **Scale or rate of remuneration or the method of calculating remuneration**

e.g. (Your pay, exclusive of overtime, is £ - per week. Your overtime rate of pay is £ - per hour.)

(Where appropriate, set out different overtime rates of pay for weekdays, Saturdays, Sundays and Public Holidays, and when periods of overtime will start/end and the method of calculating shift pay, bonus, tips etc.)

6. **Intervals at which remuneration is paid**

e.g. (You are paid weekly e.g. on every Friday.)

7. **Normal hours of work, and any other terms and conditions relating to hours of work**

e.g. (Your daily hours of work are 9 a.m. to 5.30 p.m. on Monday to Friday. Any work which you are required to do outside your daily hours of work will be paid for at the overtime rate of x per hour. You are allowed an unpaid lunch break of one hour. Your normal working hours, exclusive of lunch breaks, are therefore 37½ hours per week.)

8. **Holidays and holiday pay**

e.g. (You are entitled to x days holiday per calendar year (1<sup>st</sup> January to 31<sup>st</sup> December), paid at your normal rate of pay. In your first year of employment, holiday entitlement is proportionate to the length of your service with the employer in that year. On the termination of employment, you will be entitled to your holiday entitlement proportionate to your length of service with the employer in the year of leaving. You will be paid for any holiday entitlement due to you on the termination of employment, or, if you have taken more holiday entitlement than is due to you, the appropriate amount will be deducted from your final pay. You are also entitled to the following Public Holidays at your normal rate of pay: New Year's Day, Good Friday, Easter Monday, May Day, Liberation Day, Spring Bank Holiday, Summer Bank Holiday, Christmas Day and Boxing Day.)

9. **Terms and conditions relating to incapacity for work due to sickness or injury, and sick pay**

e.g. (You will continue to be paid for x weeks at your basic rate of pay and for a further x weeks at half your basic rate of pay during any unavoidable

absence through sickness, or injury within any twelve-month period. Any further sick pay will be at the company's discretion.

You are required to produce a medical certificate after e.g. three consecutive days of absence through sickness or injury, otherwise you will not be paid during your absence from work.

In the case of persistent short-term absence, the employer reserves the right to request a medical certificate or evidence of a medical visit or consultation for every absence. Failure to provide such documentation or evidence in these circumstances may result in you not being paid whilst you are off sick.

A deduction will be made in respect of any benefit payable to you from Social Security during any period where full wages are being paid whilst you are sick or incapacitated, whether or not the benefit is claimable by you.)

#### **10. Pensions and Pension Schemes**

e.g. (The Company does not provide a pension scheme.)  
(You are covered by the Company's pension scheme, details of which are set out in the accompanying Handbook.)

#### **11. Amount of notice of termination to be given by employer or employee**

e.g. (You are entitled to receive one week's notice of termination, increasing to 2 weeks after 2 years' service and 4 weeks after 5 years' service. You are required to give the Company one week's notice of termination, increasing to 2 weeks after 2 years' service and 4 weeks after 5 years' service.)

It should be noted that under the Employment Protection (Guernsey) Law, 1998, the example above only covers the minimum amounts of notice required.

If the contract is for a fixed term, the date when it expires should be stated.

#### **12. Terms and Conditions relating to maternity pay, maternity leave and the employee's right to return to her job after confinement**

e.g. (All employees are entitled to XX basic maternity/adoption leave. Employees with more than (15 months<sup>2</sup>) service are entitled to XX weeks of additional leave making XX weeks **in total**<sup>3</sup>.)

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<sup>2</sup> Enhanced maternity leave may be provided to employees with less service if an employer wishes.

<sup>3</sup> These periods of leave should be sufficient to ensure that they comply with the requirements of the Maternity Leave and Adoption Leave (Guernsey) Ordinance 2016.

This leave will be unpaid **OR** You will be paid at your normal rate of pay<sup>4</sup> for XX weeks of leave. The remainder of the leave is unpaid. An amount equivalent to the full rate of the allowance from Social Security, whether or not this is payable, will be deducted whilst you are receiving full pay from the Company.

You are entitled to return to your job after the leave, or if it is not reasonably practicable to permit you to return to that job, to another role which is suitable and appropriate for you.

The right to return will not apply if your role has been made redundant during your maternity leave following a redundancy procedure carried out in accordance with company policy **OR** in accordance with the Code of Practise on Handling Redundancy issued by the Committee *for* Employment & Social Security

Further details on the maternity/adoption leave and maternity/adoption support leave may be found in the Company policy including requirements for notifying the company of your intention to take leave, keeping in touch days and time off for ante-natal appointments.)

**DATED:**

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(Signature of Employer)

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<sup>4</sup> Please note that there is no requirement for any maternity leave to be paid.

## FORM 2

### EXAMPLE OF A POSSIBLE FORM OF RECEIPT, FOR USE AS AN ENDORSEMENT TO THE COPY STATEMENT RETAINED BY EMPLOYER

I acknowledge receipt of a Written Statement dated ..... given to me in accordance with the provisions of Section 1 of the Conditions of Employment (Guernsey) Law, 1985 (as amended), of which this is a true copy.

**DATED:**

.....  
(Signature of Employee)

## FORM 3

### WRITTEN STATEMENT OF THE MAIN TERMS OF EMPLOYMENT

This statement sets out particulars of the terms and conditions required to be given in accordance with the provisions of Section 1 of the Conditions of Employment (Guernsey) Law, 1985 (as amended).

1. **Name of Employer** .....
2. **Name of Employee** .....
3. **Date employment commenced** .....
4. **Job Title** .....
5. **Scale or rate of remuneration, or the method of calculating remuneration**  
.....
6. **Intervals at which remuneration is paid** .....
7. **Normal hours of work, and any other terms and conditions relating to hours of work** .....
8. **Holidays and holiday pay** .....
9. **Terms and conditions relating to incapacity for work due to sickness or injury and sick pay** .....
10. **Pensions and pensions schemes** .....
11. **Amount of notice of termination to be given by employer or employee** (if the contract is for a fixed term, the date when it expires should be stated)  
.....
12. **Terms and conditions relating to maternity pay, maternity leave and the employee's right to return to her job after confinement**  
.....

DATED this .....

.....  
(Signature of Employer)

N.B. This statement is an **example** of the **minimum** requirements of the Law. In order to avoid confusion over vague references within the statements, employers are reminded of the importance of ensuring that the contents are made as comprehensive as possible.

## FORM 4

### EXAMPLE OF A STATEMENT OF PAY (WAGE SLIP)

Employee's Name: Job Title: Payroll Number:	Pay Day: Other Details:
<b>PAYMENTS/ALLOWANCES</b>	<b>DEDUCTIONS</b>
Basic Wage/Salary: Overtime Payments:  Holiday Pay: Sick/Accident Pay: Bonus: Other payments (specify):	Income Tax: Insurance Contributions: Pension Contributions: Board/Lodgings: Other Deductions (specify):
<b>TOTAL GROSS WAGE/SALARY (£)</b>	<b>TOTAL DEDUCTIONS (£)</b>
	<b>TOTAL NET WAGE PAID (£)</b>

## Advice and Conciliation

The Employment Relations Service also provides a free and confidential advisory service to both employers and employees on any employment-related matter.

Where appropriate a confidential conciliation service may also be provided, free of charge, and is a positive means of resolving disputes between employers and employees. The service is provided by trained staff who are impartial and able to assist in resolving disputes at all levels.

## Other Publications

Publications can be downloaded from the website on a wide range of employment relations subjects, including local employment legislation and best practice guidance on other employment related matters.

Anyone without internet access can obtain copies of the publications by contacting the Employment Relations Service at the address or telephone number below.

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## Contact Information

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### For further advice

- Check [www.gov.gg/employmentrelations](http://www.gov.gg/employmentrelations)
- Email [employmentrelations@gov.gg](mailto:employmentrelations@gov.gg)
- **Contact the Employment Relations Service**, Edward T Wheadon House, Le Truchot, St Peter Port, Guernsey, GY1 3WH
- **Call us on** 01481 732583