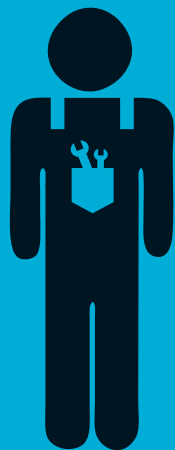


# A guide for new employers



*Agents and accountants  
this guide has been created  
for new employers - please  
pass on to your clients.*

When you are starting out as an employer there are lots of things to think about. For example, how do you go about hiring the right person? And once you've set them to work how do you get the best out of them?

Many small firms feel they don't have enough time or resources to devote to employment issues but, as this guide shows, looking after your employees can make you more effective and help you avoid costly and time-consuming tribunal hearings.

Acas helpline

**08457 47 47 47**

LRA helpline (if you are based in Northern Ireland)

**028 9032 1442**

[www.acas.org.uk/newemployer](http://www.acas.org.uk/newemployer)

[www.lra.org.uk](http://www.lra.org.uk)  
(if based in Northern Ireland)

# one

## Know the law

○ **Unfair dismissal:** you must have a good reason to dismiss someone and show that you have been fair in the way you have acted. This means:

- informing the employee of the problem you have with their conduct or performance
- holding a meeting to discuss the problem
- allowing the employee to be accompanied
- deciding on appropriate action
- providing employees with an opportunity to appeal.

Some reasons for dismissal, such as pregnancy and unauthorised deduction of wages, are automatically unfair and employees can claim unfair dismissal on these grounds regardless of how long they have been employed.

○ **Notice:** an individual is entitled to one week's notice if you wish to dismiss them. This notice rises to two weeks after two full years and continues to increase by one week per year up to a maximum of 12 weeks. Notice periods can be extended by agreement.

○ **Wages:** it is unlawful to deduct money from a person's wages unless you are legally required to do so, have a contractual right to do so or a separate written agreement signed by the individual.

○ **Holiday entitlement:** employees are entitled to holiday leave from their first day of employment. To calculate current and future holiday entitlements, go to [www.businesslink.gov.uk/holiday](http://www.businesslink.gov.uk/holiday)

○ **Maternity leave:** an employee has the right to 52 weeks' maternity leave, regardless of their length of service. They also have the right to 39 weeks maternity pay. For more information about maternity leave and pay, go to [www.businesslink.gov.uk/workandfamilies](http://www.businesslink.gov.uk/workandfamilies)

○ **Flexible working:** employees have the right to request flexible working if they have a child 16 or under, a disabled child under 18 or they care for an adult. You must consider any request seriously. For advice, go to [www.businesslink.gov.uk/flexibleworking](http://www.businesslink.gov.uk/flexibleworking)



○ **Agency workers:** from 1 October (5 December in NI) 2011 agency workers will be entitled to the same basic conditions of employment – notably pay and holidays – as comparable permanent employees after a 12 week qualifying period. For further details see the Department for Business, Innovation and Skills guidance at [www.bis.gov.uk](http://www.bis.gov.uk)

○ **Further information:** Acas can help to solve disputes at work before and after any claim to an employment tribunal – details can be found at [www.acas.org.uk](http://www.acas.org.uk). For a comprehensive list of automatically unfair dismissals and other legal rights see [www.businesslink.gov.uk/employmentandskills](http://www.businesslink.gov.uk/employmentandskills)

**For free, confidential and impartial advice on employment law call the Acas helpline on 08457 47 47 47 or the Labour Relations Agency helpline (if you are based in Northern Ireland) on 028 9032 1442.**

# two

## Sort out an employment contract

○ Put the details of an employee's contract in writing. It saves misunderstanding later.

○ **Legal check:** The law requires employers to provide most employees, within two calendar months of starting work, with a written statement of the main terms of the contract. This should include things like pay, holidays and working hours.

○ **Further information:** for a full list of what should be in the contract visit [www.businesslink.gov.uk/writtenstatement](http://www.businesslink.gov.uk/writtenstatement)

# three

## Pay the right rates

○ Find out what the going rate is and think about what you can afford. Remember that 'total pay' is often more than annual salary or weekly wage. It can include pensions, loans, travel and meal subsidies.

○ **Legal check:** From day one of employment your employees have the right to be paid no less than the National Minimum Wage. Rates are reviewed each October.

○ **Further information:** Business Link have advice on how to sort out PAYE and national insurance at [www.businesslink.gov.uk](http://www.businesslink.gov.uk) or [www.hmrc.gov.uk/payee](http://www.hmrc.gov.uk/payee). To calculate National Minimum Wage rates go to [www.businesslink.gov.uk/nmwcalculator](http://www.businesslink.gov.uk/nmwcalculator)

# four

## Recruit the right people

○ Recruit the right people by drafting a description of the job you want performed and a list of all the personal qualities and skills required.

○ Advertise effectively using a variety of sources such as JobCentre Plus, employment agencies, local press and the Internet.

○ **Legal check:** Potential recruits have the right not to be discriminated against on grounds of sex, race, disability, sexual orientation, religion and belief, age, gender reassignment, marriage and civil partnership, pregnancy and maternity.

○ **Further information:** see the Acas guide *Recruitment and induction* or go to [www.businesslink.gov.uk/newemployee](http://www.businesslink.gov.uk/newemployee)

# Know the law and how it relates to your workplace. Stay compliant and stay informed

## Always consider issues of:

- unfair dismissal
- notice
- wages
- holiday entitlement
- maternity leave
- flexible working
- the written statement
- discrimination
- national minimum wage
- the right to be accompanied.

# five

## Start on the right note: training and induction

- Settle new recruits in quickly – getting them familiar with their role, colleagues and work environment.
- Training needs to be an ongoing concern – line managers, in particular, can benefit from training to help develop their staff.
- **Further information:** see Acas guides *Front line managers* and *Recruitment and induction*.

# six

## Set your boundaries early on: discipline and grievances

- Company rules should cover things like absence, health and safety, standards of performance, timekeeping and use of company facilities.
- If the rules are broken you need to take action using a clear, written disciplinary procedure. You also need to give employees the chance to raise concerns and problems through a company grievance procedure.
- **Legal check:** All workers have the right to be accompanied at a discipline or grievance hearing by a colleague or a trade union representative.
- **Further information:** see *Discipline and grievances at work: the Acas guide*.

# seven

## Control costs by managing attendance

- Manage sickness absence by keeping in touch with employees on sick absence. Always talk to your staff when they return from sick absence and check that they are able to resume normal duties.
- Help your staff to return to work more quickly by considering flexible working or an altered routine or duties.
- **Further information:** see the Acas guide *Managing attendance and employee turnover*.

# eight

## Communicate

- Employees need to know about their jobs, the business and its products or services. They also need to know about their terms and conditions of employment, disciplinary and grievance procedures and how they are performing in their jobs.
- Communication also plays a much bigger part in giving employees a sense of control over their work and increasing their levels of commitment to the organisation.
- Consider how employee engagement practices can benefit your business – go to [www.businesslink.gov.uk/employeeengagement](http://www.businesslink.gov.uk/employeeengagement)
- **Further information:** see the Acas guide *Employee communications and consultation* or *The People Factor: engage your employees for business success* at [www.acas.org.uk/publications](http://www.acas.org.uk/publications)



For more information visit

[www.acas.org.uk/newemployer](http://www.acas.org.uk/newemployer)  
[www.lra.org.uk](http://www.lra.org.uk) (if based in Northern Ireland)

## Your checklist

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### ✓ Know the law

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### ✓ Set your boundaries early on: discipline and grievances

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### ✓ Sort out an employment contract

For a full list of what should be in the contract visit [www.businesslink.gov.uk/writtenstatement](http://www.businesslink.gov.uk/writtenstatement)

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### ✓ Control costs by managing attendance

See the Acas guide *Managing attendance and employee turnover* at [www.acas.org.uk/publications](http://www.acas.org.uk/publications).

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### ✓ Pay the right rates

Business Link have advice on how to sort out PAYE and national insurance at [www.businesslink.gov.uk/tax](http://www.businesslink.gov.uk/tax)

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### ✓ Communicate

See the Acas guide *Employee communications and consultation* or *The People Factor: engage your employees for business success* at [www.acas.org.uk/publications](http://www.acas.org.uk/publications). Consider how employee engagement practices can benefit your business – go to [www.businesslink.gov.uk/employeeengagement](http://www.businesslink.gov.uk/employeeengagement)

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### ✓ Recruit the right people

See the Acas guide *Recruitment and induction* at [www.acas.org.uk/publications](http://www.acas.org.uk/publications). Go to [www.businesslink.gov.uk/employerchecklist](http://www.businesslink.gov.uk/employerchecklist) or use the taking on a new employee tool at [www.businesslink.gov.uk/newemployee](http://www.businesslink.gov.uk/newemployee)

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## Find out more

[www.acas.org.uk/newemployer](http://www.acas.org.uk/newemployer)  
[www.businesslink.gov.uk/employmentandskills](http://www.businesslink.gov.uk/employmentandskills)  
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