

Parker & Co

Employment Alerter

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WHY 10 JULY 2006 IS AN IMPORTANT DATE FOR FIXED-TERM EMPLOYEES

For four years fixed-term employees have enjoyed legal protection of their status from the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002.

The Regulations provide that employees employed under a fixed-term contract, or a series of fixed-term contracts, automatically attain permanent employee status after four years.

The first date on which this four year anniversary can occur is 10 July 2006.

Therefore employers with any fixed-term employees, either on long-term contracts or who have been on a succession of fixed-term contracts for a lengthy period of time, should be aware that the employees' contracts will now be treated as no longer having a date of expiry following their four-year anniversary. The fixed-term element of the contract simply falls away, unless the employer can provide a reason that objectively justifies retaining the contract on a fixed-term as at the date it was last renewed.

The main practical point is to therefore ensure that fixed-term employees are advised of changes to their notice periods (which replace the date of expiry of their fixed-term contract) once they attain permanent status. By way of a reminder, as a minimum all employees are entitled to at least one week's notice for each complete year of service, up to maximum of 12 years. The failure by an employer to notify the employee as to the notice period could result in an Employment Tribunal awarding the employee two to four weeks' pay.

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