**Why your workplace should have written employment agreements**

Written employment agreements can come in the form of an individual agreement between the employer and the employee or a collective agreement between employees and the relevant union(s).

* ***A legal requirement***: It is a legal requirement for employers to provide employees with a written employment agreement under the Employment Relations Act 2000. Failure to do so could result in a $1,000 penalty per employee.
* ***Clear expectations and entitlements***: Written employment agreements ensure both the employer and employee are aware of what is expected and what the employee’s entitlements are (i.e., annual leave and sick leave entitlements).
* ***Adding additional clauses***: No matter what is in the employee’s written employment agreement, employers cannot contract out of employee’s minimum entitlements. However, employers can insert additional clauses in written agreements to protect their business interests (e.g., restraint of trade and confidentiality clauses).

*Independent contractors*

* Independent contractors are self-employed people, not employees. They submit invoices for their services and are responsible for their own tax and ACC levies.
* They are engaged by a party to perform services under an independent contractor contract.
* Contractors are not covered by most employment laws. For example, they do not receive entitlements such as sick leave and annual leave. They can’t raise a personal grievance.
* Before you engage staff to perform work, it is very important to clarify their legal status (i.e., are they an independent contractor or an employee). You should make this clear by providing them with the right sort of written document, explaining it and getting them to sign it. They must have the opportunity to get legal advice if they want.
* Having a clear written contract will help avoid issues arising in the future. However, if the real nature of the relationship is more like employment, even a signed contract will not avoid all risks. If a contractor makes an employment claim and is held by the Employment Relations Authority to be an employee, you could be liable to pay a range of unforeseen costs like Holiday pay and sick leave.

**Why your workplace should have workplace policies**

Workplace policies and guidelines can cover a range of topics including employee conduct, privacy obligations, health and safety, performance issues, disciplinary processes etc.

* ***Sets expectations***: Don’t assume employees know what is expected of them, even if you think it is part of established custom and practice at your workplace. Workplace policies create clear expectations of employees, ensuring there are no misunderstandings or ambiguity.
* ***Employees are aware of the consequences***: Policies will set out how an employer will respond to different situations and behaviours and what the consequences could be.
* ***When things go wrong***: Policies can assist in situations where employee behaviour fails to meet the expected standard. If you have a relevant policy in place, employers can point directly to the policy to base its response on.

It is important to ensure workplace policies and guidelines are well-socialised in the workplace, so staff are aware of their existence and where to find them. It is best practice to include staff or the relevant union in the consultation process of developing the policies and ask for their feedback. Ensure you review the policies regularly to ensure they are up to date when working practices or expectations change. Policies and guidelines should always be consistent with employment agreements.