

Employment documentation: guidance for clients

Key points to be followed:

>> Clients must document and communicate terms of employment to workers, usually in the form of a written contract of employment

>> Workers should be familiar with and understand their terms and conditions of employment, including the period of employment, wages, hours of work, overtime arrangements and any benefits

This information is intended to assist clients of the European Bank for Reconstruction and Development (EBRD) in their capacity as employers.

EBRD wishes to ensure that the working conditions in the projects that it finances are in compliance with national labour laws and health and safety regulations and international good practice in these areas. The EBRD's requirements are summarised in its Performance Requirement (PR 2) on labour and working conditions. The specific provisions on documenting and communicating employment terms are stated below.

PR2.6 Working relationships: The client will document and communicate to all workers their working conditions and terms of employment including their entitlement to wages, hours of work, overtime arrangements and overtime compensation, and any benefits (such as leave for illness, maternity / paternity, or holiday).

1. Form

Contract of employment

In many EBRD countries of operation, national law requires employers to issue **written contracts of employment**. Where it is a statutory requirement, clients should be able to demonstrate that written contracts are concluded with – and communicated to – all employees.

Even where there is no legal requirement, it is best practice for clients to **conclude written contracts and give a copy to the employee**. This ensures that there is no misunderstanding between the parties regarding terms and conditions of employment. Any important changes to the contract should also be agreed upon with the employee in question and signed in writing by both parties. Where contracts are made orally, workers' terms and conditions must be clearly communicated to them (e.g. at an interview or induction session) and documented (see 'written particulars' below).

Contracts should be in an appropriate language and style. The language should be accessible to workers, taking into account linguistic differences and differing levels of literacy. Where there are large numbers of migrant workers and there is a perceived language barrier, you could consider translating employment contracts.

'Written particulars'

In those countries of operation where written contracts are not a statutory requirement, PR 2.6 requires that the client furnishes a minimum level of documented information to the employee on the terms and conditions of their employment. This information should cover the same areas highlighted in Section 2 below.

2. Content

Clients should always take account of legislative requirements regarding terms that must be included in employment contracts. More generally, best practice dictates that contracts should clearly set out the following:

- Position title and brief description
- Place of work
- Duration of contract (e.g. where the contract is fixed-term, dates should be specified)
- Wages and remuneration (including form and frequency of pay)
- Working hours
- Overtime arrangements, including conditions for overtime and compensation
- Leave entitlements (illness, parental, holiday)
- Procedures for termination of the employment contract, including notice requirements
- Reference to human resource policies (including policies on grievance mechanisms and OHS) and/or company handbook
- Reference to a relevant collective agreement (where applicable)

Where there are relevant human resource policies or collective agreements, these should be posted in an area that is accessible to all workers.

3. What compliance looks like

- Be aware of requirements for written employment documentation – contracts and/or written particulars – under national law
- Ensure that contracts specify terms and conditions of employment and other legal requirements (eg period of employment, pay and benefits)
- Ensure that workers receive a copy of their employment contract and understand its contents
- Ensure that copies of relevant human resources policies and collective agreements are readily available to workers