**Breach of Employment Contract Letter - Meaning, Consequences, Guidelines, Samples, Examples, and More.**

When the contract is being written between the employee and the employer, both the parties should abide by the agreements stipulated in the contract. Not following what’s written in the contract may result in suspension, or worse, termination of employment.

Breach of contract happens when an employer or the employee breaks at least one of the clauses written in the contract. To put a remedy to the breach, a new contract is made in order to streamline the things.

**What is a Breach of Employment contract Letter?**

A Breach of Employment contract letter is a general HR Process that is used for recording a breach in contract signed with the employer.

If an employee violates a contract, you as an employer, should try to settle the matter informally with the employee, but you can also sue him/her for the damages caused. The most common breaches of agreement by an employee are when:

* They quit the job without prior notice to the employer
* They go and work for the competitor when it is not allowed in the contract

**Legal Consequences to Breach a Contract**

There can be two types of employment contract breach namely, material breach and non-material breach. Material breach refers to the failure in abiding by the serious clauses in the agreement whereas,

Non-material breach refers to the violation of lesser serious parts of the employment contract.

For the material breach, the employer can:

* Sue the employee and recover applicable damages, and
* is exempt from fulfilling their contractual obligations and has the option to withdraw from the contractual situation if they detect a breach of contract.

For non-material violation, the employer can:

* Sue for damages that are caused by the employer
* Still do their responsibility as stipulated in the contract

**Breach of Employment Contract Examples**

There are various examples of an employer-employee contract breach. Since the violation can be done by both the parties, the most common examples of:

**Employer Breaching the Contract**

* Unlawful reduction in staff salary
* Wrong dismissal
* Making changes in the working hours and other employment terms in the contract without approval
* Travel expenses, holiday rights, and contractual sick pay are not paid.
* Without unconditional job offer after the candidate has accepted the job
* Failure to follow correct procedures for grievances, disciplinary actions, and dismissals

**Employee Breaching the Employment Contract**

* Quitting the job without serving the appropriate notice period
* Gross misconduct
* Breaching restrictive covenants

**Can an Employer Sue the Employee for Violation of Employment Contract**

The brief answer is, Yes. However, this shouldn’t be an employer’s first course of action. If you think that an employee has breached the contract, you should first try to solve the matter informally.

Employers may ask for damages, but only if they can prove that the business suffered financial losses from the actions of the employee. For instance, if an employer quits the job without serving the notice period and the company suffers a financial loss, you can sue the employee for the same.

Moreover, if an employee violates the restrictive covenants like accepting a job offer from the competitor or setting up a business similar to that of yours, you can apply to court for an injunction to stop them.

However, as said earlier, your first course of action should be settling the matter internally, you can do this by issuing a Breach of employment contract letter to the employee.

There are several HRMS Softwares that provide free customized HR letters in order to reduce the redundant work. However, this blog has all the necessary details that will help you in writing an effective letter for breach of employment contract.

Read further to see the sample and examples for the same.

**Guidelines to Write a Breach of Contract Letter**

- Make your letter clear and to the point

- Write your opinion that there has been a breach of contract

- Specify the terms in the original contract and explain how they were breached

- Offer some solution or compromise for the breach, if possible. Do not try to immediately make a threatful situation

- End on a cautious yet positive tone.

**Breach of Employment Contract Letter Format**

| [Date]    To,    Subject – Breach of employment    Hello \_\_\_\_\_,    We hope all is well with you. We have discovered a breach on your part regarding your employment contract with the organization.  We are forced to take tough measures in order to protect the company's rights and values.  We are treating this as your first warning based on your track record and performance over the years; nevertheless, if this continues, we will be forced to terminate your position with the company.  Please call me at \_\_ or email me at \_\_ if you have any queries about this.    Regards,  \_\_\_\_\_\_\_ |
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**Breach of Employment Contract Letter Example**

| 04/03/2020    To,  Mr. Armaan Jain  Sales Manager  XYZ Solutions Pvt. Ltd.    Subject – Breach of employment    Hello Mr. Armaan,    We hope all is well with you. We have discovered a breach on your part regarding your employment contract with the organization.  We are forced to take tough measures in order to protect the company's rights and values.  The breach was due to your supervisor's severe wrongdoing. It was discovered that when your supervisor requested a monthly report, you did not provide it and spoke to him in a nasty manner. This type of behavior is not expected from your end.  We are treating this as your first warning based on your track record and performance over the years; nevertheless, if this continues, we will be forced to terminate your position with the company.  Please contact me at 9182736450 or hr@xyzsolutions.com if you have any questions about this.    Regards,  Maitri Sharma  HR Manager |
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**Conclusion**

It is very important to issue a Contract Breach letter to the employees violating the rules of the company mentioned in the contract. As we all know, everyone is busy these days and no individual has got time to sit and write the letters, hence, we have made it easier for you.

UBS HRMS Software’s HR Toolkit is the solution for your problem. We provide HR letters that can be used by anyone according to their requirements. No matter if you are a company or an individual, you can use our letter formats just after making some amendments.

Use this sample breach of employment contract letter just by editing it live on the website. Yes you read it right!! UBS is the very first HRMS SOftware India that offers live editing feature for the user’s convenience. Book a demo now to see how our software works.

**Meta Description -** If you face any breach of employment in your office premises, alert your employees by using the Breach of employment contract letter from UBS HRMS Software.

**Format 1**

| From:  [Your Name, & Address here]  To:  [Recipient Name & address here]  [Date here]  Dear [name],  You are hereby notified that as of [date of violation], you are in violation of our contract signed on [agreement date].  You – [state the nature of the said breach here] –  – [Here, describe the violation in brief]-  We would like to say that we are open for discussion regarding this matter.  As you are responsible for all the damages occurring out of this breach, we need to talk for the suitable compensation for the violation in contract by you.  You have [duration] to offer a compensation for the breach in our contract, after which we will – [State what action you will take].  Thanks for your understanding of this matter.  Regards,  [Your name]  Encl: [Enclosures List here] |
| --- |

**Format 2**

| To [Employee’s full Name]  Address  Date  Dear Mr./Miss/Mrs. [Employee’s First/Last name]  Please find the enclosed copy of our [Name of agreement] dated [date]. We would like to point out that under the clause [X], you were required to [mention the requirements].  It is found that you are not able to meet the requirements mentioned under the agreement and thereby are in breach of contact. You are requested to remediate immediately and follow the stipulated terms of contract in the future, or else we will have to take strong actions against you.  We have not waived any contractual right against you. We hereby reserve all the rights to pursue legal and equitable remedies against you.  We hope you’ll consider this as a serious warning.  Regards, [Your Name and Designation]  [Company Name] |
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**Format 3**

| To: [email of the sender]  Subject: Reprimand for Breach of Policies  Greetings [Employee Name]  This email serves as an official warning for the incident that occurred on [Date of Incident]. We were notified of [Explain the Incident]. This sort of conduct is not acceptable in the workplace and is prohibited by Company Policy [Name of the Policy, Page number, Section number, or the Serial Number in the Company Policy Document].  Our policies and procedures are intended to make the workplace and corporate culture open and safe for all employees across various levels. To foster a collaborative and performance-oriented work culture, we expect all employees to respect and follow these rules.  We have put you on a warning period because you have been determined to be breaking the rules. Your behavior will be tracked throughout this time.  If you commit the same infraction again, you will face severe consequences, including  (a) suspension without pay or  If you commit the same infraction again, you will face severe consequences, including  We continue to believe you are an important member of our team, and we expect you to make immediate improvements. I'm hoping for a favorable outcome from this dialogue.  Please do not hesitate to contact us at any time in case you have any questions. You must sign a copy of this letter to acknowledge that you have read and understood the debate.  Thanks,  [Name] |
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