

# Free Employment Contract



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simple  
questions

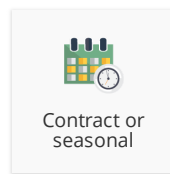
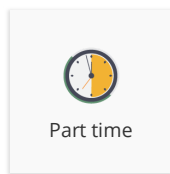
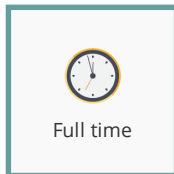


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## What type of employment are you offering?



CREATE MY CONTRACT

Last updated December 13, 2022

## What is an Employment Contract?

An **Employment Contract** outlines an employer's and employee's rights, responsibilities, and obligations during a period of employment. Once the employer **offers** the employee the job and the two parties sign the contract, they become bound to its terms.

Besides basic details about the parties, our Employment Contract template allows you to include information about compensation, vacation time, probationary periods, duties of confidentiality, and termination procedures.

An Employment Contract is also known as an:

- Employment agreement
- Contract of employment
- Contract employee agreement
- Job contract template
- Working agreement
- Terms of employment

Create your free  
Employment Contract in  
5-10 minutes

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## Who needs an Employment Contract?

Employers, and anyone [managing employees](#) on behalf of an employer, may create an Employment Contract each time they hire a new employee, including:

- Small business owners
- Human resource professionals
- Managers
- Recruitment officers

If an employer does not present their employee with a contract, the employee can also initiate the creation of a contract for both of them to sign.

Please note that [independent contractors should not use Employee Contracts](#) to outline the terms of a service arrangement because there are important legal differences between contractors and employees, such as [tax obligations](#). Instead, contractors should use [Independent Contractor Agreements](#).

## What are the different types of Employment Contracts?

Employment Contracts for employees can appear very similar but include very different terms, depending on whether their employer hires them permanently or temporarily and on a full-time or part-time basis.

### Permanent full-time Employment Contract

An employee on a permanent full-time contract **should meet their employer's requirements for full-time hours** and have no predetermined end date to their employment.

There is no standard hour requirement for full-time employment. Generally, the number of hours required a full-time employee must work is set by the employer, in accordance with the laws in their jurisdiction. [The Bureau of Labor Statistics](#) defines full-time work as at least **35 hours per week**. The IRS defines a full-time employee as someone working on average at least **30 hours per week** for a calendar month, or **130 hours per month**.

### Permanent part-time Employment Contract

An employee on a permanent part-time contract **should not meet their jurisdiction's requirements for full-time hours** and have no predetermined end date to their employment.

### Fixed-term Employment Contract

An employee on a fixed-term contract **should have a prearranged end date** to their employment. The contract automatically expires on the end date, and no notice is required from either party to end the employment at that time. If an employee wants to end the contract early and they can do so

without repercussions, they may provide their employer with a [Resignation Letter](#).

#### **At-will Employment Contract**

An at-will Employment Contract **allows an employer to terminate an employee at any time**, without notice or cause, as long as the reason for the termination is not illegal.

If an employer wants the right to terminate an employee at their own will, they must document it clearly within the Employment Contract, employee handbooks, and employment policies and procedures.

## What is included in an Employment Contract?

When creating an Employment Contract, you can include the following terms:

- The type and rate of compensation
- The frequency of payment
- Vacation time
- Specified work hours
- Specified work location
- Employee responsibilities
- Length of a probationary period
- Confidentiality, non-solicitation, or non-competition clauses
- Termination terms

## What is a probationary period in an Employment Contract?

A probationary period is a set time in which an employer can **terminate an employee at any time** without cause, notice, or severance pay. Generally, at the end of a probationary period, the employer will review the employee's performance to determine if they continue employment as a regular employee.

Probationary periods allow employers time to determine if employees:

- Can help accomplish the employer's goals
- Have the necessary skills to perform the required tasks
- Fit with the employer's work environment

Generally, once a probationary period ends, an employee qualifies for health and other benefits. In addition, once a probationary period ends, employers must have just cause to terminate an employee. In the United States, [90-day probationary periods](#) are standard.

## What is a non-compete clause in an Employment Contract?

A non-compete clause keeps an employee from working for an employer's direct business competitors during their work relationship and after it has ended. Generally, non-compete clauses can only last for a specified amount of time. Additionally, non-compete clauses must meet specific requirements to be enforced, such as being limited to a reasonable geographic location.

## What is a confidentiality clause in an Employment Contract?

A confidentiality clause keeps an employer's confidential information private. Confidentiality clauses can prohibit current and former employees from discussing or misusing an employer's secrets, marketing plans, and product information. They can either last indefinitely or have an expiration date.

Confidentiality clauses protect employers from many different circumstances that could otherwise cause employers to lose business, employees, and trade secrets.

Additionally, employers can protect themselves during the recruitment process. While interviewing an applicant or negotiating a position with a potential new hire, employers may ask them to sign a Confidentiality Agreement to prevent them from sharing any valuable information they may learn during the interview process.

## How do you update an Employment Contract?

There are a variety of reasons why you may need to update an Employment Contract. For example, you may want to raise an employee's wage and revise their contract to reflect this change. To record a change in wage, you can use a Compensation Agreement. For larger changes, you may need to use a Contract Addendum.

A Contract Addendum allows you to make one or more changes to an existing contract without invalidating it. Suppose you need to make a significant change to an employee's current job description and duties. In that case, using a Contract Addendum will prevent you from having to create an entirely new Employment Contract. A Contract Addendum must be attached to the Employment Contract and signed by both parties.

## What happens if an employee or employer breaches the Employment Contract?

When an employee breaches their Employment Contract, their employer's response will depend on the severity of the infraction. For some infractions, an employer may only issue their employee an Employee Warning Letter. Some employers may consider the following breaches to be minor and worthy of an initial warning:

- Being frequently late
- Failing to complete certain job duties
- Missing work without proper notice

If an employee continues to breach the Employment Contract after receiving a warning, their employer may need to fire them with an [Employment Termination Letter](#). Certain infractions may not require a warning and are grounds for immediate termination, such as:

- Breaching a confidentiality policy
- Not following health and safety policies
- Breaching a drugs and alcohol policy
- Misrepresenting qualifications
- Threatening co-workers
- Theft

When employers breach Employment Contracts, employees can take action to protect their interests. Depending on the severity of the infraction and if the employee suffers a financial loss because of the infraction, they may be entitled to collect damages.


If you are an employee dealing with discrimination or harassment, wrongful termination, an illegal wage, uncompensated overtime, or unsafe workplace conditions, there are numerous [federal protections](#).

### Related Documents:

- [Confidentiality Agreement](#): Protect information, ideas, transaction details, and more from being revealed to an outside source during negotiations.
- [Independent Contractor Agreement](#): Outline service details when a freelancer or consultant provides service.
- [Compensation Agreement](#): Outline an employee's salary, including how often the employer will pay them.
- [Employee Privacy Policy](#): Define the privacy rights of employees.
- [Employment Offer Letter](#): Formally offer an applicant a job by detailing the terms of employment.
- [Employee Evaluation](#): Create a written record of an employee's performance review.
- [Employee Warning Letter](#): Formally warn an employee of a workplace infraction.
- [Employment Termination Letter](#): Inform an employee of their termination.

### Related Articles:

- [Inappropriate Employer Actions Every Job Candidate Should Know About](#)
- [How to Recognize Conflicts of Interest in the Workplace](#)
- [How to Fire an Employee](#)
- [15 Best States for Employers in 2023](#)
- [10 Things to Check Before Signing Your Next Job Contract](#)



SAMPLE

## Employment Contract

Personalize your Employment Contract template.

Print or download in minutes.

Create Your Employment Contract

## Your Employment Contract

### EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT (the "Agreement") dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

\_\_\_\_\_ of \_\_\_\_\_

(the "Employer")

OF THE FIRST PART

**- AND -**

\_\_\_\_\_ of \_\_\_\_\_

(the "Employee")

OF THE SECOND PART

**BACKGROUND:**

**A.** The Employer is of the opinion that the Employee has the necessary qualifications, experience and abilities to assist and benefit the Employer in its business.

**B.** The Employer desires to employ the Employee and the Employee has agreed to accept and enter such employment upon the terms and conditions set out in this Agreement.

**IN CONSIDERATION OF** the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Agreement agree as follows:

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BBB Rating: A+  
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