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Fixed Term Contract Toolkit

Guiding you through the provisions associated with Fixed Term contracts



Fixed Term Contract Toolkit

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A fixed-term contract is an employment agreement that has a clearly defined end date or ends when a specific task or project is completed. Once the end date arrives (or the project finishes), the contract automatically ends without requiring a formal termination process.

This toolkit provides guidance on issuing and renewing fixed term contracts in line with the Terms of Employment (Information) Act 1994, and the Protection of Employees (Fixed Term Work) Act 2003, and the management in between.



Before Issuing a Fixed Term Contract

Confirm the business reason for using a fixed term contract

Identify the specific end date, task or event that will bring the contract to an end

Fixed Term Contract To Include:

Must be issued prior to the commencement of employment

- [ ] Full name of employer and employee
- [ ] Address of the employer
- [ ] Place of work i.e. company office, various sites/ locations operated by the company, work from home
- [ ] Job title
- [ ] Date of commencement of employment
- [ ] Contract end date, or end of specific task/ project
- [ ] Clause excluding unfair dismissal arising from expiry of contract
- [ ] Probation period duration
- [ ] Hours of work – per week and per day
- [ ] Terms relating to overtime – if applicable
- [ ] Rate of pay/ salary
- [ ] Pay cycle i.e. weekly, monthly
- [ ] Reference to social security and insurance
- [ ] Terms relating to absence, to include sick pay
- [ ] Auto Enrolment - “My Future Fund”/ Company pension scheme
- [ ] Probation Period duration and related terms
- [ ] Notice period
- [ ] Reference to tips/ gratitudes – if applicable
- [ ] Collective agreements/ ERO/ REA - if applicable

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Managing Fixed Term Contracts

Ensure the employee is treated no less favourably than a comparable permanent employee unless objective grounds justify different treatment

Ensure they are aware of all permanent vancancies available

Monitor contract end date and diaries a review in advance

Record reasons for all fixed term renewals

Fixed Term Contract Renewal

- [ ] Review the employee's previous fixed term contracts and total continuous service before agreeing any renewal
  - [ ] Where successive contracts apply, check the four year aggregate duration limit under the Protection of Employees (Fixed Term Work) Act 2003
- [ ] Decide whether the contract will end, be renewed or the employee will be offered permanent employment
  - [ ] If being made permanent, confirming in writing
  - [ ] If ending as originally agreed, confirm with the employee and advise on offboarding process
  - [ ] If renewing fixed term contract, confirm in writing, before the end date of the original fixed term contract
    - [ ] Original end date of fixed term contract
    - [ ] New end date
    - [ ] Reason for renewal of fixed term contract
    - [ ] Objective reasons for not offering a contract of indefinite duration i.e. permanent contract

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HR Reminder

- ✓ Clearly specify the end date or event that will end the contract
- ✓ Document the reason for any renewal
- ✓ Document why permanent employment is not being offered
- ✓ Issue renewals before expiry date
- ✓ Monitor successive contracts and the four year limit
- ✓ Ensure fixed term employees are aware of any permanent vacancies that become available
- ✓ Ensure fixed term employees receive equal treatment unless objectively justified

MSS Tip

Keep a central record of all fixed term employees, contract expiry dates, previous renewals and the reasons for extending employment. Review each contract before renewal to identify any risk of an entitlement to a contract of indefinite duration.



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