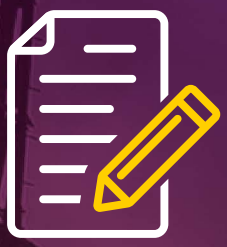
Personal Contract Holders

EVERYONE HAS A RIGHT TO A CONTRACT OF EMPLOYMENT



A personal employment contract in the UK is a legally binding agreement between an employer and an individual employee, setting out required terms such as pay, hours, holiday, notice, and duties, which must be provided on or before the first day of work.

A personal contract excludes individuals from collective bargaining. This means that personal contract holders do not have their pay determined through union negotiation and do not get a vote on an employer's pay offer.

Personal contracts have generally been offered to employees at more senior levels of an organisation, though there are indications of employers seeking to extend their personal contract group below the senior group.

A personal contract may appear more attractive than terms offered under a collective bargaining agreement. For example, the starting rate of pay may be higher and there may be an offer of bonus pay linked either to individual or company performance.

However, personal contracts may not include provision for pay progression or for annual pay increases, so initial benefits can be overtaken by negotiated settlements with differential pay rises. Bonuses may or may not be paid. They may also include a restrictive covenant which bars an individual from taking up employment elsewhere in the sector for a specified period of time.

In reality, personal contracts are rarely genuinely personal. Personal contract holders are often employed on exactly the same terms as each other, but without collective voice. They can be used to reduce union influence in the workplace.

It is worth thinking about whether for you the benefits exceed the limitations of a personal contract and whether, if you are moving to a new role, you should automatically accept a personal contract offer.

YOUR LOCAL CONTACT:

If you would prefer to be under a collective agreement, and have Prospect as your recognised trade union, email ***PCH@prospect.org.uk***

prospect

prospect.org.uk/join