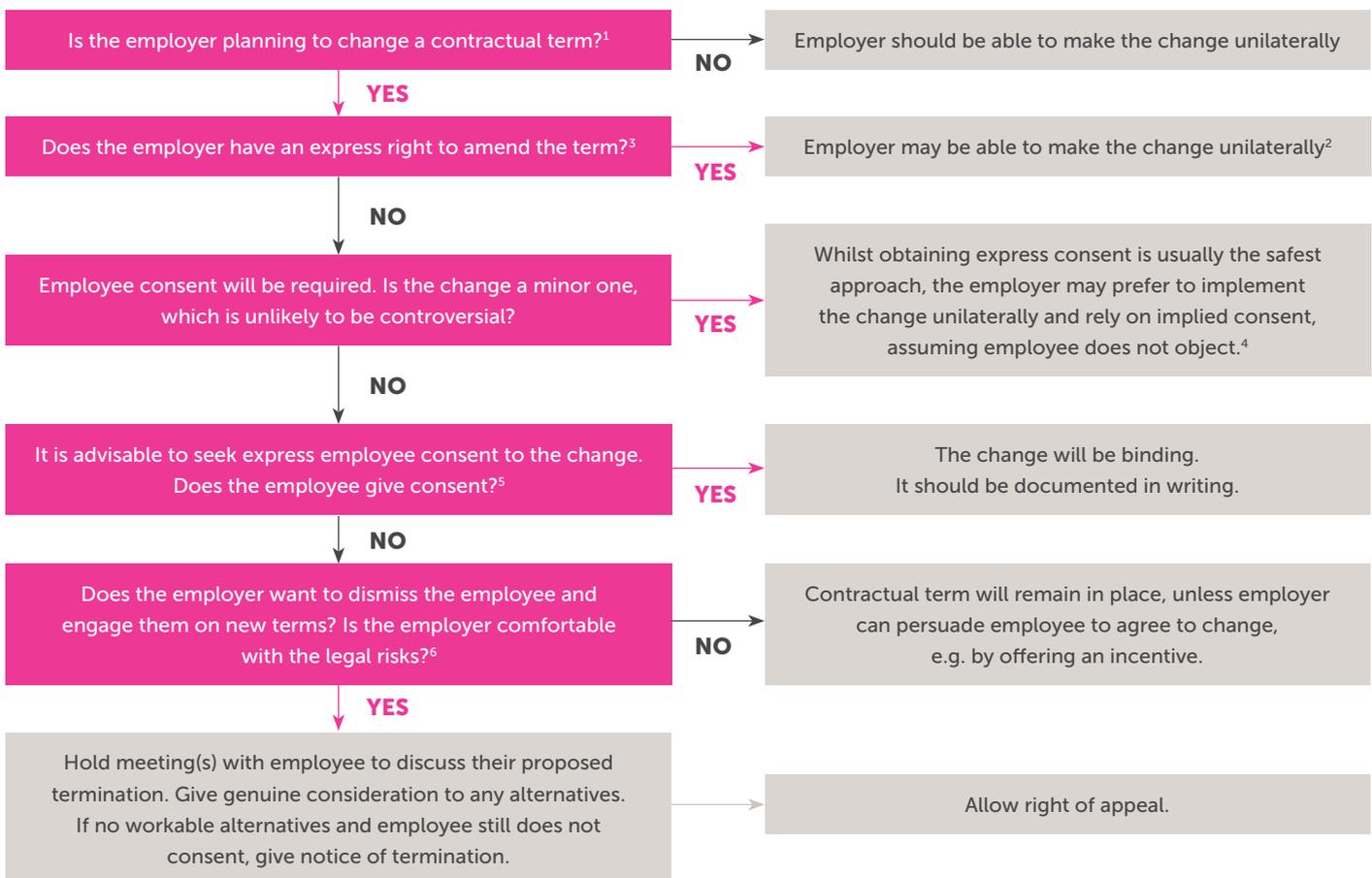


CHANGING TERMS OF EMPLOYMENT

This flowchart summarises the main questions that employers should consider if they wish to make changes to employees' terms and conditions of employment. This is a high level summary only, which is not a substitute for legal advice.



1. It is important to remember that terms can be contractual even though they are not contained in the employment contract itself. Contractual terms can be found in other documents, result from a verbal agreement, or arise from custom and practice.

2. The employer may be able to implement the change, but it is important that they do so in a way that does not breach their implied duties, such as the duty of trust and confidence. This usually means that the change must not be unreasonable and sufficient notice must be given.

3. Note that clauses giving employers the right to amend terms unilaterally will be interpreted restrictively.

4. The main risks of this approach are claims for breach of contract and/or constructive dismissal.

5. Consultation will usually be key to the success of this process.

6. This can be a risky approach, both from a legal perspective and an employee relations perspective. The degree of risk will depend on the nature of and reasons for the change, and legal advice should always be sought.

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