

## About the Document

<b>name</b>	<b>PC-HR-1570-M. Employment Contract Agreement</b>
<b>owner</b>	HR
<b>access &amp; use</b>	Restricted to HR
<b>what it is</b>	A contractual agreement between the Company and a new employee that establishes the terms and conditions of employment.
<b>who uses it</b>	HR or anyone with authority to enter into a contractual agreement on behalf of the Company.
<b>used with</b>	<ul style="list-style-type: none"> <li>◆ <i>PC-MGR-1580-M. Offer Form</i></li> <li>◆ The employee's completed <i>JE-ALL-3530-M. Job Description Form</i></li> <li>◆ <i>Employee Manual</i></li> </ul>

## Why This Process is Important

It's crucial that all employees sign off on an Employment Contract Agreement to acknowledge that they have read, understand, and agree to abide by the terms and conditions of their employment with the Company. Signing off on these terms and conditions helps to ensure not only the protection of the Company, but also the protection of the individual and their co-workers.

## Working with the Document

- ◆ Gray shaded form fields are input placeholders. To replace the text in these form fields, click **ONCE** on the field and type your new content.
- ◆ The agreement is structured so that most components up to the signature block are standard and any specifics are included in Schedule A.
- ◆ The highlighted sections reference clause numbers. If you add or delete clauses, ensure that the highlighted clauses reference the appropriate clause number.

## Process Overview

All employment contracts for all locations are processed by CUSTOMIZER: Insert Title in CUSTOMIZER: Insert Location.

Once the Recruiting Process has been completed, reference checks have been conducted, and a Hiring Manager has approval to make an offer for an incumbent, proceed with the following steps.

## Instructions

These instructions are applicable to employment agreements that are processed for a new employee.

### Prepare

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1. Create a new electronic folder for the employee:  
*Employee Files > <EmployeeLastName-FirstName>*
2. Within the employee's folder, create a 'WIP' (Work in Progress) folder. You'll use this to store any versions of the employment contract agreement prior to final release.
3. Obtain a copy of the resume, reference checks, or any other available employee information. Scan the information if in print form. File in the employee's folder.
4. Ask the Hiring Manager to complete the *PC-MGR-1580-M. Offer Form* so you have all the information you need to create the offer. File in the employee's folder.

### Create Employment Contract Agreement

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1. Open the *Employment Contract Agreement* template
2. Save a copy of the template to the employee's folder with the following file name:  
*EmployeeStartDate>-<EmployeeFirstName-LastName>-Employment-Agreement-Draft*  
For example: *2017-02-27-Jane-Doe-Employment-Agreement-Draft*
3. Read the entire agreement to ensure you are familiar with the content as a whole. If you make changes to one section, you want to ensure that you're not contradicting a different section.
4. Review the **red instructions** which may also provide a separation for different options. In this case, remove one of the options and remove the red instructions.
5. Fill in the information in shaded form fields.
6. Review the **blue sections** and remove if not applicable.

7. Remove any other clauses that are not applicable making sure that you're not invalidating other sections.
8. Note the **yellow highlighted section references** to ensure that they refer to the correct clause. If you remove or add clauses, the numbering and reference to the clause will change. This should be your last step in finalizing your document and should be done each time you make any change to the agreement.
9. Read over the entire agreement to make sure that it all makes sense and review it for any typos or grammatical errors. **This is a legal contract and it needs to be right.**
  - a. Run a **Spelling & Grammar** check on the document.
  - b. Review the bullet numbering in each section as WORD formatting functionality may sometimes mix up the numbering.
10. Change the information in the footer. It's important that the contract shows the total number of pages, as follows:

Employment Agreement – <employee name> and <Company Name>  
<Page # of #>

11. Save the agreement.

## External Review of the Agreement

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12. Turn on "Track Changes" ahead of time so the reviewer doesn't have to.
13. If you create multiple versions of a contract, save each version with the revision date at the end of the file name. This ensures you can review the document history at any time. File all previous versions of the file in the WIP folder.
14. If the agreement needs to be reviewed prior to signing, send the reviewer an email. This email may include the following content:
  - Kindly review draft **insert document revision #** of **employee name's** employment contract agreement.
  - If you would like to make edits or insert comments, please do not override the current document. Save a new copy of the file and add your initials at the end of the file name. For example: *2017-02-27-Jane-Doe-Employment-Agreement-Draft-**Feb05-PJ***
  - Please do not turn off the "Track Changes" functionality so that I can review your changes to ensure that they do not modify the legalese. If you find it difficult to read the document amidst your changes, you may view the document without the clutter of changes without removing "Track Changes". **(Review tab > Tracking, choose "No Markup" using the drop down arrow.)**

- By **insert date**, please reply to this email and provide me with confirmation to proceed with the agreement, or attach your edited file. If I don't hear from you by then, I will proceed with the agreement as is.

15. If the Reviewer makes edits:

- a. Save their document and add your initials at the end of the file name, after the editor initials.

For example: *2017-02-27-Jane-Doe-Employment-Agreement-Draft-**Feb05-PJ**-**Feb06-AL***

- b. Review the Reviewer's changes. Accept or reject their changes or discuss the changes with them if you don't agree or have other suggestions.

**\*\* Remember, it's your responsibility to ensure that the agreement is contractually sound and that it reflects HR best practices. Your role is to provide HR expertise. If you feel the Reviewer is insisting on making changes that you don't agree with from an HR best practices perspective, talk to your manager.**

## **Create the Final Document**

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16. You may create several versions of the document until a final contract is created. Keep any revisions or agreement versions in the WIP folder within the employee folder.
17. Before finalizing the agreement, repeat the steps in Section 9 above.
18. Save the final agreement and remove all revisions extensions. The final file name should look like this: *<EmployeeStartDate>-<EmployeeFirstName-LastName>-Employment-Agreement*  
For example: *2017-02-27-Jane-Doe-Employment-Agreement*
19. PDF the final employment contract agreement. The Word and PDF versions of this agreement should be the only employment agreement files in the root of the employee folder. This ensures that it's clear which document is the final version.

## **Employment Contract Agreement Signed by Signing Officer**

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1. Either send the PDF to the signatory to print and sign, or print the employment agreement for their signature. Or sign the document electronically.
2. All contract agreements can only be signed by either the **CUSTOMIZER: Insert Title** or the **CUSTOMIZER: Insert Title**.
3. Save an electronic version of internally-signed contract in the employee's folder with "Company-signed" appended to the file name.

For example: *2017-02-27-Jane-Doe-Employment-Agreement-**Company-signed***

## **IMPORTANT – Timing of incumbent signing Employment Contract Agreement**

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The Employment Contract Agreement **MUST be signed before the employee's first day of work**. Case law is clear that such agreements can easily be deemed invalid if they are signed on the first day of work or later, and any good lawyer representing an employee will look for this omission if things between the employee and the Company go sour.

In the absence of a signed employment agreement, an 'implied employment contract' exists - even if only verbal. Sending additional, or revised, documents and 'rules' after the employee starts means that the Company is essentially changing their implied contract. At that point, the Company would have to provide the employee with 'consideration' to sign these additional documents. Consideration at this point cannot affect the employee's regular salary and benefits, since this was part of the implied contract. Consideration must be something that the employee would not have already received, or has understood they will receive as per the implied contract.

### **Send the Offer by Email**

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Sending an offer by email accelerates the hiring process significantly. In addition, sending the first offer by email provides an opportunity to negotiate any changes electronically, without having to print a number of revised documents.

The person sending the offer by email must have signing authority or authority to enter into contracts on behalf of the Company. Be sure to check in with your manager to ensure you have authority to send the offer.

1. Use the following script to create the offer email and attach the 3 files referenced in the email.
2. If you use an email client other than Microsoft® Outlook®, ensure the formatting of bulleted and numbered lists is preserved.
3. Cc the Hiring Manager and your manager on the offer email.

### **EMAIL SCRIPT**

Dear **First Name**,

I am very pleased to present you with an offer of employment to join the **CUSTOMIZER: Insert your informal company name** team in the role of **position**.

Please find attached the following documents representing the terms and conditions of your employment, which become valid and binding once you have confirmed acceptance of them – including by electronic form and by return email:

- ♦ **Employment Contract Agreement**  
Requires a signature

- ◆ **Employee Manual**  
For reference. Outlines the Company's general employment conditions and conduct policies for staff that are signed off as part of the Employment Contract Agreement.

If you accept this offer and its terms and conditions, kindly:

1. Print the Employment Contract Agreement.
2. Provide the required signatures in the signature boxes. Be sure to include a witness signature.
3. Initial every page in the lower right corner, including SCHEDULE A.
4. Scan and return all pages of the Employment Contract Agreement by end of day **Insert Date, preferably 4 business days from date of sending offer**, at which time the offer outlined in this email expires.
5. Please ensure that:
  - The **entire Agreement** is included in the scanned copy.
  - The quality of the reproduction is clearly legible.
  - Initials are visible.

If you have any questions about the details of this offer, please do not hesitate to contact me by email.

**First Name**, we are very much looking forward to working with you.

Sincerely,

**CUSTOMIZER: Insert Legal Entity Name**

**Your Name**

**Your Title**

IMPORTANT NOTICE: This email is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, you are asked to permanently delete all copies of this email and notify the sender immediately. Thank you.

## **Signed Employment Contract Agreement**

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1. Ensure you receive the incumbent's signed contract by the deadline date and definitely before their first day of work.
2. Save the signed agreement in the employee's file with "SIGNED-FINAL" appended to the file name.  
  
For example: *2017-02-27-Jane-Doe-Employment-Agreement-SIGNED-FINAL*
3. Move all other versions of the employment contract into the WIP folder.



4. Send a copy of the signed agreement to Payroll.