



# EMPLOYEE CONTRACT & HANDBOOK

## WHAT IS A CONTRACT?

- An employment contract is a legal document that defines your relationship to an employee.
- It outlines policies, terms, rules and requirements of both the employer and employee
- It has to be in accordance with the:
  - Act Respecting Labor Standards
  - Civil Code of Quebec
  - Labor Code
  - Act respecting industrial accidents and occupational diseases
  - Pay Equity Act
  - Occupational Health and Safety Act
  - Act to promote the development and recognition of skills in the workforce

## TYPES OF CONTRACTS:

- **Fixed** – there is a specific date or event that will end the contract
- **Indeterminate** – does not contain a specific date or event that will end the contract

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## ELEMENTS TO CONSIDER INCLUDING (THIS LIST IS NOT EXHAUSTIVE – CHECK CNESST’S LINK BELOW):

- **Parties:** The contract should accurately set out the name, address and contact information of both the employee and the employer.
- **Type of contract:** Is it a fixed term or indeterminate?
- **Description of work:** The contract should include a clear description of the position which includes the job title, the different tasks and duties, and responsibilities related to the job title. In addition, the contract needs to mention the status (full-time or part-time) of the employee.
- **Remuneration:** Include the salary and any deductions related to the position.
  - Employees cannot earn less than the minimum wage – make sure to check the amount and keep in mind that employees who receive gratuities or tips and employees who work in the clothing industry have different minimum wage rates. ([check link below](#))
  - Also, include the type of remuneration – hourly or yearly salary, base + commission, tips, etc.
  - Mention the method of payment as well – cash, cheque or direct deposit.
  - Will employees be paid weekly or biweekly? – include this information in the contract
- **Working hours and schedule:** Mention how many hours per week the employee will be working, as well as whether they are on a fixed or variable schedule (example – 9am to 5pm, Monday-Friday or 10h days Monday-Thursday). Make sure to check the law in regards to rest periods and include that information in the contract ([check link below](#)).
- **Test/Probation Period:** State whether or not the employee is subject to a probation period and for how long.
- **Compensations and Benefits Plan:** The contract needs to outline the company’s compensation and benefits package. The compensation plan will include any type of bonuses or incentive plans offered by the company. If the employee is going to be eligible for bonuses, the contract should state the basis for the bonus and the amount. Also, the contract needs to state the different benefits the employee is entitled to receive, if any, such as medical and dental benefits, insurance and pension plan.

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- **Annual Leave with Pay:** A contract should include the amount of vacation time that the employee is entitled to. Check the Act respecting labor standards for the minimum standards employers need to respect.
- **Termination clauses:**
  - There are two ways an employee may be terminated – with or without cause.
  - In the case of termination **with cause**, the employer can immediately terminate the employee for a **serious reason**, such as serious misconduct, neglect of duty, incompetence, without providing any types of indemnity.
  - Termination **without cause**, occurs when the employee is being terminated for reasons that are not related to a misconduct (ex. If the company is struggling financially).
  - In the contract, state the reasons that can cause a termination in employment in order for the employee to understand the rules and the consequences.
  - Also, ensure you're compliant with the law in regards to giving sufficient written notice to an employee or paying an indemnity before terminating their contract of employment or laying them off for six months or more.
- **Non-competition clauses (optional):** Depending on the nature of your business, you may include a non-competition clause in the contract to keep the employee out of this specific industry for a period of time.
  - Make sure to include: the type of employment, the geographic territory, and the time period (must be reasonable in regards to the position and industry) in order for the clause to be considered by the court as valid
- **Date and Signatures of parties**

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## EMPLOYMENT HANDBOOK

### WHAT IS IT?

- A document that outlines all policies and procedures related to HR management issues within the company. For example employee benefits, company culture, code of conduct.
- It also highlights your organization's vision, mission, and guiding principles.
- The purpose of the handbook is to set clear expectations for your employees.
- Although it's not necessarily needed when you only have one employee, it's a good idea to begin developing it with your business's future goals in mind.
- It's not a static document – make sure to develop it as your business evolves and to include employees in the discussion when formulating new policies (ex. Social media use).

### ELEMENTS TO INCLUDE IN THE EMPLOYMENT HANDBOOK

- **Company History:** While it's not mandatory, it's a good idea to include how and why the company began in order to foster a sense of belonging in your employees.
- **Company Mission:** Make sure to develop a specific mission statement that highlights the value your company brings to your customers.
- You may include policies regarding the following topics (keep in mind the list is not exhaustive):
  - Recruitment and Selection
  - Orientation and Probation
  - Compensation and benefits (if any) – include information on methods of payment (cheque or direct deposit), payment period (weekly, biweekly, etc.), overtime policies, statutory holidays, health and dental insurance, pension plan, etc. Make sure to consult the appropriate legislation for each item as well as meet the minimum criteria

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- Leaves – vacation time and pay, sick leave, personal days, parental leave, disability leave, etc.
- Discipline – make sure to outline any policies related to discipline in a clear and concise way to avoid confusion. Usually, companies employ a progressive discipline approach (for example, verbal warning for first offense, written warning for second offense and termination for third offense of the same or similar kind).
- Termination – include a detailed section on the company’s policies in regards to both termination with and without cause.
- Technology, computer use and social media use
- Harassment, sexual harassment and discrimination
- Use of company equipment
- **Consult the Act respecting labour standards and CNESST for more information on each of these sections**
- **Make sure to include an acknowledgment page that states the employees have read and understood the Employee Handbook policies – it’s for your own protection.**

## LINKS:

Commission des normes, de l'équité, de la santé et de la sécurité du travail (some sections are in French only)

<http://www.cnesst.gouv.qc.ca>

Act respecting labour standards

<https://www.cnt.gouv.qc.ca/en/wages-pay-and-work/wages/index.html>

or <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/N-1.1>

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