

Ensuring your contractual arrangements protect the interests of your organisation when employees leave is a complex area on which you will probably need specialist advice.

Here are ten quick questions that you might like to ask yourself about your existing contracts of employment, before you decide to get them revised.



What you decide to do may vary according to the nature of competition in your market place, whether you have intellectual property and confidential information that you want to protect, and the specialism or seniority of each employee.

1. Do you have the right to pay in lieu of notice – a 'PILON' clause?	
2. Do you have the right to put an employ on garden leave?	
3. Does your contract prevent staff from engaging in other employment without your permission?	
4. Is it clear how much notice is required on either side?	
5. Do you bonus or commission arrangements make it clear what will happen when an employee resigns, or when they leave?	
6. Do you have the right to assign them to other duties during a notice period?	
7. Do you have confidential information that s crucial to your business, and needs to be specifically protected in your contracts?	
8. Do you need to prevent 'poaching' of customers or employees?	
9. Do you need to prevent dealing with customers or suppliers?	
10. Are any of these issues sufficiently important to justify the expense and disruption that changing contracts can involve?	

All reasonable efforts have been taken to ensure that the advice contained in this checklist represents both best practice, and the law as it stands at the time of publication. It should not be relied on as a substitute for taking advice about specific situations.

Ken Allison  
Paradigm Partners