

Employment news - winter: Resolve to be clear

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Only too often, employers find that terms they intended to be non-contractual have been incorporated into an employee's contract, making them binding, and exposing the employer to unexpected claims.

The case of *Keeley v Fosroc International Ltd* emphasises the importance of clearly stating in handbooks, and other employment documents, which terms are contractual and which are non-contractual. In *Keeley*, redundancy provisions in the Company Handbook section entitled 'Employee Benefits and Rights', and described using the word 'entitlement', were held to be contractually binding. This is not what the employer intended.


Prudent employers will make a clear divide between contractual and non-contractual terms, for example by splitting staff handbooks into two sections. They will also state expressly which benefits are discretionary and reserve the power to withdraw or change these benefits at any time. Phrases like 'may be eligible to be considered for' should be used for non-contractual benefits.

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