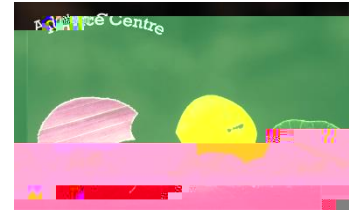


# Money & Employment Contracts in the UK what to expect after graduation



## Employment Contracts

### Signing on the dotted line

Discussing employment contracts can seem a little daunting, especially if you are just starting out on your career. It is worth getting to grips with contracts now though, so you know what to expect and can understand the process.

### What is a contract?

A contract of employment is an agreement between an employer and an employee. It sets out employment rights, responsibilities and duties; these are known as the terms of the contract. Both parties sign it and in theory everyone then knows where they stand. Crucially you, as the employee, can be clear on what is expected of you and the working conditions the employer is offering. The negotiation of a contract clarifies and manages expectations.

### Do I need one?

Yes! You most definitely **do need** to have a contract if you are accepting a job offer. Without a contract you can be vulnerable if any problems arise, such as your hours changing. You are in a much stronger position if you have a contract to refer to.

### I have a contract, what now?

Read it thoroughly, perhaps you can also ask a family member or friend to read over it too. Clarity is really important, so make sure you understand what is in the contract. If there is anything you don't understand, make a note to check it with your employer. Once you are happy you have understood everything, and with the terms of the contract, you will be required to sign it.

### My employer doesn't do contracts!

Nearly all employers give contracts but there are some areas where you need to take care. The British Veterinary Association, for example, has noted that many veterinary surgeons do not sign contracts when they accept a job. Part of the issue might be that employers want to try and keep as much of the management issues as they can do.

practice handles other management issues!

We would recommend that you talk to your employer if you encounter this situation, no matter what sector you are applying to. Do a bit of research using the resources outlined in this help sheet, that way you can mention you have read that contracts are important for both the employer and employee. Be positive about the job and explain that a contract is important to you.

### Further support

Whilst it can be tricky to get your head around the legalities of a contract, it is really important you do. Further support can be accessed here:

<http://www.acas.org.uk/index.aspx?articleid=1577>

<https://www.gov.uk/browse/working>

[http://www.vetlife.org.uk/professional-issues-employment/employment-contracts#Why\\_is\\_a\\_contract\\_necessary](http://www.vetlife.org.uk/professional-issues-employment/employment-contracts#Why_is_a_contract_necessary)

<http://www.bva.co.uk/Workplace-guidance/HR-and-employment-law/>

## Graduate Bank Accounts

Hopefully you will have made full use of your right to a student account and the benefits that come along with it – good for you! You may not be aware but some banks automatically change your account to a graduate account at the end of your course. Many graduate accounts have their own benefits but always check what the change means for you, particularly if you have a large overdraft (check the interest rates) or have been using the benefits which may now end, e.g. free breakdown

cover. You may also want to consider switching to a graduate account with better benefits: [www.moneysavingexpert.com/students/graduate-bank-accounts](http://www.moneysavingexpert.com/students/graduate-bank-accounts)

## Payslips, Tax & National Insurance

Each time you are paid you should receive a payslip detailing what you have been paid and any deductions made. Check your payslip to ensure you are being paid the correct amount (as agreed in your contract) and make sure any deductions made are correct e.g. private pension contributions, student loan repayments.

Paying income tax and National Insurance contributions are part of earning an income whether you are self-employed or working for a company (employed). If you are employed, it is important that you keep your payslips and check you are on the correct tax code so you are not over or under paying income tax. You may be asked to complete a P46 form when you start work. The information you give on the P46 form should ensure HMRC allocate you the correct income tax code. For more information on income tax codes and national insurance contributions: [www.gov.uk/tax-codes](http://www.gov.uk/tax-codes) & [www.gov.uk/national-insurance](http://www.gov.uk/national-insurance)

If you are self-employed you must register with HMRC and complete an annual income tax return to ensure you pay the correct income tax: [www.gov.uk/working-for-yourself](http://www.gov.uk/working-for-yourself)

At the end of each tax year you should receive a P60 certificate from your employer.