

MONEY OFFICE POLITICS

New job? What to look out for when signing a contract



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Have you been offered a new job? It's worth negotiating the key terms.



Do you have the back to work blues? For many, the Christmas and New Year break is an opportunity to reassess your position. It may be that you feel you are being undervalued and aren't getting a fair deal at work. You might be thinking of looking for pastures new.

**Set free from an unfulfilling job?
Don't jeopardise everything by
failing to read the small print**

If you are fed up with your current job and do receive a new job offer, the excitement of a fresh position can make it tempting to sign a contract without properly considering the terms. But whether you are about to start a new role or renegotiate existing terms, it is important to know what to look out for.

You may believe that, in trying to negotiate a better deal, you will risk jeopardising your relationship with your new employer. If you

don't negotiate, however, you could come to regret it. The detail of the contract is very important – particularly when it comes to an end. Here are some of the main areas (apart from basic pay and holidays) you should be keeping an eye on.

BONUS TERMS

Bonuses are usually discretionary, and often contracts state that you will only be eligible if you are in employment on the bonus payment date and neither you nor your employer has given notice.

Sometimes, if the bonus is more formulaic and calculated by reference to sales, for example, it may be worthwhile trying to negotiate a pro-rated bonus for part of the year worked. Sometimes, bonuses may be deferred in the form of cash, stock or options.

Usually, if you resign before the award vests, it is forfeited. In redundancy situations, employers may grant good leaver status, and awards that would otherwise have been forfeited could continue to vest. This is worth checking. Further, be aware that, in certain cases, clawback provisions may apply – so a bonus may have to be repaid even after your employment has ended.

BENEFITS

Packages may include health cover, permanent health insurance, a pension, as well as other benefits. Make sure that all benefits mentioned in the discussions, and subsequently agreed upon, are reflected in your contract.

NOTICE

It is important to review the notice provisions. Notice requirements vary but are usually between one and three months. Don't accept a term that requires you to give longer notice to your employer than they are required to give to you. Longer notices tend to favour employees, but they can operate against you to keep you away from a competitor.

RESTRICTIVE COVENANTS

Typical clauses may prohibit you from competing with your employer, soliciting or dealing with clients, and poaching your employer's staff for a certain period. The general rule is that such clauses are only enforceable if they go no further than necessary to protect the legitimate interests of the business. They are often enforced by the courts, however. It is easy to overlook what happens when you leave a position, but it will be too late to negotiate these terms once you have departed.



So if the New Year starts with a job offer, read the small print and don't be too scared to negotiate. Any doubts, speak to your lawyer.

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