

Zero Hour Contracts Guide

A "zero hours contract" refers to a non-legal term that encompasses various forms of casual agreements between an employer and a worker.

In essence, a zero hours contract means that the employer does not commit to providing the worker with a set number of hours.

Instead, the employer presents work opportunities as they become available, and the worker has the option to accept or decline the offered work.

Regardless of the number of hours provided, the employer is obligated to pay at least the National Minimum Wage.

Zero Hour Contract Employees are entitled to Holiday Pay and accrual is relative to the hours they work. Please see FAQ 'Holiday Pay' for more information

What Employment Rights?

All individuals engaged under a zero hours contract are entitled to statutory employment rights without exception.

Those on such contracts will possess either the employment status of a 'worker' or an 'employee,' which determines their specific rights.

Individuals classified as 'workers' under a zero hours contract are entitled to the following:

- National Minimum Wage
- Holiday Pay
- Rest breaks
- Statutory Sick Pay (SSP)
- Statutory Maternity & Paternity Pay
- Statutory Redundancy Pay
- Protection against discrimination.

Suitable Usage

Zero hours contracts serve a valuable purpose in situations where work requirements are inconsistent or where there is not a steady need for personnel. These contracts also offer individuals a degree of flexibility, enabling them to balance work with other responsibilities such as education or childcare.

Certain job roles are influenced by external circumstances beyond the employer's control, which can occur across various industries, including hospitality, leisure, and catering.

The following scenarios illustrate when a zero hours contract may be suitable, though this list is not exhaustive. Employers have other employment options available in these contexts.

- **Startups**

Newly established businesses often need to cultivate a customer base before they can predict their staffing needs. Initially, they may rely on zero hours contracts alongside permanent employees to accommodate variable and uncertain workloads.

- **Seasonal Work**

During specific seasons or peak periods, there may be a clear need for additional staff to handle increased demand, such as retail positions during the holiday season or cleaning services following events like festivals or New Year celebrations.

- **Illness Cover**

Employers must be prepared to address unexpected employee absences due to illness, necessitating the ability to quickly engage experienced personnel, such as pharmacists in pharmacies or lifeguards at recreational facilities.

- **Special Occasions**

Venues such as wedding halls, restaurants, or bars may require access to trained and skilled staff for specific events, such as weddings or private functions.

- **Service Trials**

A business contemplating the introduction of a new service may need to hire staff on a temporary basis to evaluate the feasibility of the service before making a commitment to its full implementation.