

Types of Contracts

Permanent Contract

An employment contract whereby an employee is employed by the company for an indefinite period.

Fixed-term Contract or Term contract

An employment contract that ends on a particular date, or upon the completion of a specific project. The term can vary between three months to a year. Upon completion, the company will either offer to extend it for a further term, offer a permanent contract, or terminate the contract.

Difference in provisions	Permanent Contract	Fixed-Term Contract
Statutory benefits e.g. annual leave, health insurance	Entitled to statutory benefits either immediately or after the probation period.	Entitled to statutory benefits only after you have worked for a period of three months without a break. These may include: Annual leave, medical leave Health insurance Allowances The benefits could also be less than those provided to permanent staff.
Termination notice period	The termination notice period will be stated on the contract and is usually between 1 month to 3 months.	Most fixed term contracts will specify a notice period in the contract. Otherwise, if you have been employed for less than 26 weeks the notice period is one day. If you have been employed for between 26 weeks – 2 years, the notice period will be one week.

