

# Winner's Personnel Recruitment

Tel: 01872 264744



## CONTRACT WITH THE CLIENT (SUPPLYING TEMPORARY STAFF SERVICES/CLIENT TERMS OF BUSINESS)

*For use when supplying Temporary Workers paid by you subject to deductions for PAYE and NI contributions*

### 1. DEFINITIONS

1.1. In these Terms of Business the following definitions apply:

<b>“Assignment”</b>	means the period during which the Temporary Worker is supplied by the Employment Business to render services to the Client;
<b>“Client”</b>	means the person, firm or corporate body together with any subsidiary or associated company as defined by the Companies Act 1985 to whom the Temporary Worker is supplied or introduced;
<b>“The Employment Business”</b>	means [your business <i>name</i> ] Limited of [address];
<b>“Engages/Engaged/Engagement”</b>	means the engagement, employment or use of the Temporary Worker directly by the Client or any third party or through any other employment business on a permanent or temporary basis, whether under a contract of service or for services; an agency, license, franchise or partnership arrangement; or any other engagement; directly or through a limited company of which the Temporary Worker is an officer or employee
<b>“Temporary Worker”</b>	means the individual who is introduced by the Employment Business to render services to the Client.
<b>“Transfer Fee”</b>	means the fee payable in accordance with clause 7.1 below and Regulation 10 of the Conduct of Employment Agencies and Employment Businesses Regulations 2003.
<b>“Introduction Fee”</b>	means the fee payable in accordance with clause 7.2 below and Regulation 10 of the Conduct of Employment Agencies and Employment Businesses Regulations 2003.
<b>“Introduction”</b>	means (i) the Client’s interview of a Temporary Worker in person or by telephone, following the

Client's instruction to the Employment Business to supply a Temporary Worker; or (ii) the passing to the Client of a curriculum vitae or information which identifies the Temporary Worker; and which leads to an Engagement of that Temporary Worker.

**“Remuneration”**

includes base salary or fees, guaranteed and/or anticipated bonus and commission earnings, allowances, inducement payments, the benefit of a company car and all other payments and taxable (and, where applicable, non-taxable) emoluments payable to or receivable by the Temporary Worker for services rendered to or on behalf of the Client or any third party. Where a company car is provided, a notional amount of [*specify*] will be added to the salary in order to calculate the Employment Business' fee.

1.2. Unless the context otherwise requires, references to the singular include the plural.

1.3. The headings contained in these Terms are for convenience only and do not affect their interpretation.

**2. THE CONTRACT**

2.1. These Terms constitute the contract between the Employment Business and the Client for the supply of the Temporary Worker's services by the Employment Business to the Client and are deemed to be accepted by the Client by virtue of its request for, interview with or Engagement of the Temporary Worker or the passing of any information about the Temporary Worker to any third party following an Introduction.

*[Note: For the purposes of this clause, it is important that the client receives these terms with or before receiving details of the Temporary Worker. It is recommended that these terms are sent by registered post, by email using read receipt or by fax and, that a copy of the confirmation that the email has been read or fax transmitted kept. It is further recommended that you telephone the client after these terms have been sent and obtain confirmation that they have been received and agreed. You should keep a record of the fact they have been sent and if receipt is confirmed with the Client the person you spoke with including their name and the date and time of the conversation. ]*

2.2. These Terms contain the entire agreement between the parties and unless otherwise agreed in writing by [*a director of*] the Employment Business, these Terms prevail over any terms of business or purchase conditions put forward by the Client.

2.3. No variation or alteration to these Terms shall be valid unless the details of such variation are agreed between the Employment Business and the Client and are set out in writing and a copy of the varied terms is given to the Client stating the date on or after which such varied terms shall apply.

**3. CHARGES**

3.1 The Client agrees to pay such hourly charges\* of the Employment Business as shall be notified to and agreed with the Client. The hourly charges are calculated according to the number of hours worked by the Temporary Worker (to the nearest quarter hour) and comprise mainly the Temporary Worker's hourly rate but also include the Employment Business' commission calculated as a percentage of the Temporary Worker's hourly rate, employer's National Insurance contributions and any travel, hotel or other expenses as may have been agreed with the Client or, if there is no such agreement,

such expenses as are reasonable. VAT, if applicable, is payable on the entirety of these charges\*\*.

*\*Note: The amount of the hourly charge will need to be agreed with the Client before the start of an assignment and should be confirmed in writing. The amount does not need to be stated in these terms to comply with Regulation 17 of the Conduct Regulations 2003<sup>1</sup> provided you have stated the method of calculation of your fee.*

*\*\*Note: If you are supplying an exempt service VAT will not be chargeable. If you choose to charge VAT as an Agent (see Chapter 16A) you should use the following wording "VAT is payable on the Employment Business's commission in accordance with HMCE Business Brief 10/04"*

3.2 The charges are invoiced to the Client on a weekly basis and are payable within [specify] days. The Employment Business reserves the right to charge interest on any overdue amounts at the rate of [\*8% or specify a different rate]% per annum [above the base rate from time to time of the Bank of England or specify your own Bank] from the due date until the date of payment.

*[Explanatory Note: \* All businesses have a statutory right to claim 8% above the base rate of the Bank of England, in accordance with the Late Payment of Commercial Debts (Interest) Act 1998] You may specify a flat rate of interest but if you choose to specify a different rate above the base rate of your own High Street Bank we suggest that the rate of interest should not exceed 4% above your bank base rate.*

3.3 \*There are no rebates payable in respect of the charges of the Employment Business [\*\*other than those set out in clause 7 below].

*Note: \*Regulation 17 (1) (a) (iii) of the Conduct Regulations 2003 requires you to state whether any refund or rebates are applicable in respect of your charges. If rebates or refunds are offered details should be included here.*

*\*\* You should only include this wording if you choose Option 4 for clause 7 below.*

#### **4. INFORMATION TO BE PROVIDED**

4.1. When making an Introduction of a Temporary Worker to the Client the Employment Business shall inform the Client of the identity of the Temporary Worker; that the Temporary Worker has the necessary or required experience, training, qualifications and any authorisation required by law or a professional body to work in the Assignment; whether the Temporary Worker will be employed by the Employment Business under a contract of service or apprenticeship or a contract for services; and that the Temporary Worker is willing to work in the Assignment.

4.2. Where such information is not given in paper form or by electronic means it shall be confirmed by such means by the end of the third business day (excluding Saturday, Sunday and any public or Bank holiday) following, save where the Temporary Worker is being Introduced for an Assignment in the same position as one in which the Temporary Worker had previously been supplied within the previous five business days and such information has already been given to the Client, unless the Client requests that the information be resubmitted.

#### **5. TIME SHEETS**

5.1 At the end of each week of an Assignment (or at the end of the Assignment where it is for a period of one week or less) the Client shall sign the Employment Business' time sheet verifying the number of hours worked by the Temporary Worker during that week.

5.2 Signature of the time sheet by the Client is confirmation of the number of hours worked. If the Client is unable to sign a time sheet produced for authentication by the

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<sup>1</sup> The Conduct of Employment Agencies and Employment Businesses Regulations 2003

Temporary Worker because the Client disputes the hours claimed, the Client shall inform the Employment Business as soon as is reasonably practicable and shall co-operate fully and in a timely fashion with the Employment Business to enable the Employment Business to establish what hours, if any, were worked by the Temporary Worker. Failure to sign the time sheet does not absolve the Client's obligation to pay the charges in respect of the hours worked.

5.3 The Client shall not be entitled to decline to sign a timesheet on the basis that he is dissatisfied with the work performed by the Temporary Worker. In cases of unsuitable work the Client should apply the provisions of clause 10.1 below.

## **6. PAYMENT OF THE TEMPORARY WORKER**

6.1 The Employment Business assumes responsibility for paying the Temporary Worker and where appropriate, for the deduction and payment of National Insurance Contributions and PAYE Income Tax applicable to the Temporary Worker pursuant to sections 44-47 of the Income Tax (Earnings and Pensions) Act 2003\*.

*\*Note: The requirement to deduct PAYE tax and NI from all Individual temporary workers supplied to be under the supervision, direction or control of the Client was previously contained in section 134 of the Income and Corporation Taxes Act 1988 which has now been replaced by these sections.*

## **7. TRANSFER AND INTRODUCTION FEES**

***[NOTE: Feedback from Members of the REC has indicated that there may be many different ways of charging Transfer and Introduction fees. So REC has provided optional clauses in the Appendix at the end of this model contract. The model contracts are not intended to be prescriptive but are there to assist Members in their dealings with Clients and Workers and to ensure compliance with the Conduct Regulations 2003. The choice of which Option to use will depend on the way you choose to operate. You should insert here one of the 3 Options set out in the Appendix below.]***

## 8. LIABILITY

8.1 Whilst every effort is made by the Employment Business to give satisfaction to the Client by ensuring reasonable standards of skills, integrity and reliability from Temporary Workers and further to provide them in accordance with the Client's booking details, the Employment Business is not liable for any loss, expense, damage or delay arising from any failure to provide any Temporary Worker for all or part of the period of booking or from the negligence, dishonesty, misconduct or lack of skill of the Temporary Worker. For the avoidance of doubt, the Employment Business does not exclude liability for death or personal injury arising from its own negligence.

8.2 Temporary Workers supplied by the Employment Business are engaged under contracts for services\*. They are not the employees of the Employment Business but are deemed to be under the supervision, direction and control of the Client from the time they report to take up duties and for the duration of the Assignment. The Client agrees to be responsible for all acts, errors or omissions of the Temporary Worker, whether wilful, negligent or otherwise as though the Temporary Worker was on the payroll of the Client. The Client will also comply in all respects with all statutes including, for the avoidance of doubt, the Working Time Regulations, Health and Safety At Work Act etc, by-laws, codes of practice and legal requirements to which the Client is ordinarily subject in respect of the Client's own staff (excluding the matters specifically mentioned in Clause 6 above), including in particular the provision of adequate Employer's and Public Liability Insurance cover for the Temporary Worker during all Assignments.

*\*NOTE: This clause assumes that you will be issuing your workers with REC model terms of engagement from Chapter 12A of the Legal Reference Guide. If you use any other wording and particularly if you choose to employ your temps on contracts of employment you may need to amend this clause but before doing so you should seek your own solicitor's legal advice.*

8.3 The Client shall advise the Employment Business of any special health and safety matters about which the Employment Business is required to inform the Temporary Worker and about any requirements imposed by law or by any professional body, which must be satisfied if the Temporary Worker is to fill the Assignment. The Client will assist the Employment Business in complying with the Employment Business' duties under the Working Time Regulations by supplying any relevant information about the Assignment requested by the Employment Business and the Client will not do anything to cause the Employment Business to be in breach of its obligations under these Regulations. Where the Client requires or may require the services of a Temporary Worker for more than 48 hours in any week, the Client must notify the Employment Business of this requirement before the commencement of that week.

8.4 The Client undertakes that it knows of no reason why it would be detrimental to the interests of the Temporary Worker for the Temporary Worker to fill the Assignment.

8.5 The Client undertakes not to request the supply of a Temporary Worker to perform the duties normally performed by a worker who is taking part in official industrial action or duties normally performed someone who has been transferred by the Client to perform the duties of the person on strike or taking official industrial action.

8.6 The Client shall indemnify and keep indemnified the Employment Business against any costs, claims or liabilities incurred by the Employment Business arising out of any Assignment or arising out of any non-compliance with clauses 8.2, 8.3 and 8.5 and/or as a result of any breach of these Terms by the Client.

## 9. SPECIAL SITUATIONS

9.1 Where the Temporary Worker is required by law, or any professional body to have any qualifications or authorisations to work on the Assignment or the Assignment involves caring for or attending one or more persons under the age of eighteen or any person who by reason of age, infirmity or who is otherwise in need of care or attention, the

Employment Business will take all reasonably practicable steps to obtain and offer to provide to the Client:

- Copies of any relevant qualifications or authorisations of the Temporary Worker, and
  - Two references from persons not related to the Temporary Worker who have agreed that the references they provide may be disclosed to the Client
- and has taken all reasonably practicable steps to confirm that the Temporary Worker is suitable for the Assignment. If the Employment Business is unable to do any of the above it shall inform the Client of the steps it has taken to obtain this information in any event.

## 10. TERMINATION

10.1 The Client undertakes to supervise the Temporary Worker sufficiently to ensure the Client's satisfaction with the Temporary Worker's standards of workmanship. If the Client reasonably considers that the services of the Temporary Worker are unsatisfactory, the Client may terminate the Assignment either by instructing the Temporary Worker to leave the Assignment immediately, or by directing the Employment Business to remove the Temporary Worker. The Employment Business may, in such circumstances, reduce or cancel the charges for the time worked by that Temporary Worker, provided that the Assignment terminates: -

- a) Within four hours of the Temporary Worker commencing the Assignment where the booking is for more than seven hours; or
- b) Within two hours for bookings of seven hours or less;

And also provided that notification of the unsuitability of the Temporary Worker is confirmed in writing to the Employment Business within 48 hours of the termination of the Assignment.

10.2 Any of the Client, the Employment Business or the Temporary Worker may terminate an Assignment at any time without prior notice and without liability.

10.3 The Client shall notify the Employment Business immediately and without delay and in any event within [24] hours if the Temporary Worker fails to attend work or notifies the Client that the Temporary Worker is unable to attend work for any reason.

10.4 The Employment Business shall notify the Client immediately if it receives or otherwise obtains information which gives it reasonable grounds to believe that a Temporary Worker supplied to the Client is unsuitable for the Assignment and shall be entitled to terminate the Assignment forthwith by notice in writing without prior notice and without liability.

## 11. LAW

11.1 These Terms are governed by the law of [\*England & Wales/ Scotland/ Northern Ireland/ and are subject to the exclusive jurisdiction of the Courts of [\*England & Wales/Scotland/Northern Ireland]

*\*Delete as applicable*

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Signed for and on behalf of the Client

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Dated

*Note: It is a requirement of the Conduct Regulations 2003 for you to agree your terms with your client before you provide them with the services of a Temporary Worker. This does not mean that these terms have to be signed by them but a signature from someone employed by the Client who is capable of agreeing to your terms is evidence of the fact that the Client has received and agreed them.*

## **APPENDIX – OPTIONAL CLAUSES FOR CHARGING TRANSFER AND INTRODUCTION FEES**

### **Option 1 – For use where you choose to insert a fixed length of extended hire period and a fixed fee**

#### **7.1 Transfer Fees where a worker has been supplied**

- 7.1.1 In the event of the Engagement by the Client of a Temporary Worker supplied by the Employment Business for an Assignment either (1) directly or (2) pursuant to being supplied by another employment business, during the Assignment or within whichever is the longer of either
- 14 weeks from the start of the first Assignment (each new Assignment where there has been a break of more than 42 days (6 weeks) since the end of a previous Assignment shall also be considered to be the 'first Assignment' for these purposes); or
  - 8 weeks from the day after the last day the Temporary Worker worked on the Assignment
- the Client shall be liable, subject to electing by giving [\*x] days prior notice, to either:
- a) **An extended period of hire** of the Temporary Worker being [\*x] weeks during which the Client shall pay [\*\*£x per hour or the current hourly charge agreed pursuant to clause 3.1] for each hour the Temporary Worker is so employed or supplied; **or**
  - b) **A Transfer Fee** calculated as follows: \*.....% of the Remuneration applicable during the first 12 months of the Engagement or, if the actual amount of the Remuneration is not known, the hourly charges agreed pursuant to clause 3.1 multiplied by [REC recommends a figure of between 150 and 300 times the hourly charge which would equate to a figure of between 10-20% of the annual remuneration] No refund of the Transfer Fee will be paid in the event that the Engagement subsequently terminates. VAT is payable in addition to any fee due.
- However, where the client does not give such notice before the Temporary Worker is Engaged the parties agree that the Transfer Fee shall be due.

**Notes:** Where \* appears in the clause above you may insert such amount as may be agreed with the client. However any period of hire or any fee that is charged in accordance with clause (b) must reflect the loss of the Temporary Worker's services to your business. The loss may be your permanent fee or it may be your margin charged over the length of a typical assignment or the balance of any agreed period of assignment where the client brings it to an end earlier than agreed. Otherwise it may be considered to be a penalty and therefore unenforceable. For example, if the worker is engaged directly by the client for a few weeks only and so the loss of business is not significant to you, it may be excessive to charge your normal permanent fee based on 12 months salary.

**\*\*** If you choose to insert a different hourly charge to the hourly charge that applied during the assignment, the amount charged for the period of extended hire must be no greater than the amount charged during the assignment immediately before receipt of the notice.

#### **7.2 Introduction Fees where a worker is introduced but not supplied**

- 7.2.1 In the event that there is an Introduction of a Temporary Worker to the Client which does not result in the supply of that Temporary Worker by the

Employment Business to the Client, but which leads to an Engagement of the Temporary Worker by the Client either directly or pursuant to being supplied by another employment business within [6 months] from the date of Introduction the Client shall be liable, subject to electing upon giving [\*x] days notice, to either:

- a) **A period of hire** of the Temporary Worker being [\*x] weeks during which the Client shall pay [\*£x per hour or the hourly charges agreed pursuant to clause 3.1 above] for each hour the Temporary Worker is so employed or supplied; **or**
- b) **An Introduction Fee** calculated as follows: \*.....% of the Remuneration applicable during the first 12 months of the Engagement or, if the actual amount of the Remuneration is not known, the hourly charges agreed pursuant to clause 3.1 multiplied by (*REC recommends a figure of between 150 and 300 times the hourly charge which would equate to a figure of between 10-20% of the annual remuneration*) No refund of the Introduction Fee will be paid in the event that the Engagement subsequently terminates. VAT is payable in addition to any fee due.

However, where the client does not give such notice before the Temporary Worker is Engaged the parties agree that the Transfer Fee shall be due.

*Notes: Where \* appears in the clause above you may insert such amount as may be agreed with the client but see note\*\* to clause 7.1 above*

**7.3** In the event that the Engagement of the Temporary Worker is for a fixed term of less than 12 months, the fee in clause 7.1.1(b) or 7.2.1(b), calculated as a percentage of the Remuneration, will apply pro-rata. If the Engagement is extended beyond the initial fixed term or if the Client re-engages the Temporary Worker within 3 months of the termination of the first Engagement the Client shall be liable to pay a further fee based on the additional Remuneration applicable for the period of Engagement following the initial fixed term up to the termination of the second Engagement or the first anniversary of its commencement, whichever is sooner.

#### **7.4 Inability to supply during the period of hire**

7.4.1 If the Client elects for a period of hire, as set out in clauses 7.1.1 (a) or 7.2.1 (a), but before the end of such period Engages the Temporary Worker supplied by the Employment Business either directly or pursuant to being supplied by another employment business or the Temporary Worker chooses not to be supplied for the period of hire, the Transfer or Introduction Fee calculated in accordance with either 7.1(b) or 7.2(b) may be charged, reduced by such percentage to reflect any period of hire already undertaken by the Temporary Worker and paid for by the Client.

7.4.2 Where period(s) of absence due to illness or injury prevent the Temporary Worker from being employed or supplied for 4 or more days, which shall be qualifying days for the purposes of Statutory Sick Pay (SSP), during the period of hire as set out above, the period of hire shall be extended by a period equivalent to the total period of absence. Where the Employment Business pays the Temporary Worker SSP during the period of hire an equivalent amount shall be charged to and be payable by the Client in addition to the charges agreed pursuant to clause 3.1.

#### **7.5 Transfer Fees where there has been an Introduction to and Engagement by a Third Party**

7.5.1 In the event that a Temporary Worker supplied to a Client is **introduced by the Client to a third party** which results in the Engagement of the Temporary Worker by the third party during the Assignment or within whichever is the longer of either

- 14 weeks from the start of the first Assignment (each new assignment where there has been a break of more than 42 days (6 weeks) since the end of the previous Assignment shall also be considered to be the 'first Assignment' for these purposes); or
- 8 weeks from the day after the last day the Temporary Worker worked on the Assignment

The Client shall be liable to pay a Transfer Fee calculated in accordance with clause 7.1.1 (b)

**7.6 Introduction Fees where there has been an Introduction but no Supply resulting in an Engagement by a Third Party**

- 7.6.1 In the event that there is an Introduction of a Temporary Worker to the Client which does not result in the supply of that Temporary Worker by the Employment Business to the Client, but **the Temporary Worker is introduced by the Client to a third party** which results in the Engagement of the Temporary Worker by the third party within [6 months] from the date of Introduction the Client shall be liable, to **an Introduction Fee** calculated in accordance with clause 7.2.1 (b)

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**Option 2 - This clause should be used where you typically reduce the transfer fee based on the length of the assignment.**

*Note: Option 2 as set out in the 2004 version of these terms of business has been deleted. If you choose to reduce the transfer fee based on the length of the assignment we suggest that you use Option 4.*

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**Option 3: This is where you would like the flexibility to be able to negotiate the fee or extended period of hire with the client.**

**7.1 Transfer fees where a worker has been supplied**

- 7.1.1 In the event of the Engagement by the Client of a Temporary Worker supplied by the Employment Business either (1) directly or (2) pursuant to being supplied by another employment business, during the Assignment or within whichever is the longer of either
- 14 weeks from the start of the first Assignment (each new Assignment where there has been a break of more than 42 days (6 weeks) since the end of a previous Assignment shall also be considered to be the 'first Assignment' for these purposes); or
  - 8 weeks from the day after the last day the Temporary Worker worked on the Assignment

the Client shall be liable, to either an extended period of hire or a Transfer Fee the length or amount of which is to be agreed between the Employment Business and the Client.

- 7.1.2 The Client must give the Employment Business [\*x] days' written notice in advance of the Engagement if the Client elects to take the worker for the period of extended hire.

*\*Note: REC suggests a notice period of between 2-7 days*

- 7.1.3 If the client does not give such notice before the Temporary Worker is Engaged the parties agree that the Transfer Fee shall be due.

- 7.1.4 If the parties do not agree a period of extended hire or a Transfer Fee in accordance with 7.1.1 then the following shall be deemed to have been agreed:
- a) The length of the extended period of hire shall be [\*x] weeks during which the Client shall pay [\*\*£x per hour or the current hourly charge agreed pursuant to clause 3.1] for each hour the Temporary Worker is so employed or supplied; **or**
  - b) The amount of the Transfer fee shall be: *[Insert here clause 7.1.1(b) from Option 1 above].*

**Notes:** Where \* appears in the clause above you may insert such amount as may be agreed with the client. However any period of hire or any fee that is charged in accordance with clause (b) must reflect the loss of the Temporary Worker's services to your business. The loss may be your permanent fee or it may be your margin charged over the length of a typical assignment or the balance of any agreed period of assignment where the client brings it to an end earlier than agreed. Otherwise it may be considered to be a penalty and therefore unenforceable. For example, if the worker is engaged directly by the client for a few weeks only and so the loss of business is not significant to you, it may be excessive to charge your normal permanent fee based on 12 months salary.

**\*\*** If you choose to insert a different hourly charge to the hourly charge that applied during the assignment, the amount charged for the period of extended hire must be no greater than the amount charged during the assignment immediately before receipt of the notice.

## **7.2 Introduction Fees where a worker is introduced but not supplied**

- 7.2.1 In the event that there is an Introduction of a Temporary Worker to the Client which does not result in the supply of that Temporary Worker by the Employment Business to the Client, but which leads to an Engagement by the Client of the Temporary Worker by the Client either (1) directly or (2) pursuant to being supplied by another employment business within [6 months] of the date of the Introduction the Client shall be liable, to either a period of hire or an Introduction Fee the length or amount of which is to be agreed between the Employment Business and the Client.
- 7.2.2 The Client must give the Employment Business [x] days' written notice in advance of the Engagement if the Client elects to take the worker for the period of hire.
- 7.2.3 If the client does not give such notice before the Temporary Worker is Engaged the parties agree that the Introduction Fee shall be due.
- 7.2.4 If the parties do not agree a period of hire or an Introduction Fee in accordance with 7.2.1 then the following shall be deemed to have been agreed:
- a) The length of the period of hire shall be [\*x] weeks during which the Client shall pay [\*\*£x per hour or the hourly charge agreed pursuant to clause 3.1] for each hour the Temporary Worker is so employed or supplied; **or**
  - b) The amount of the Introduction fee shall be: *[Insert here clause 7.2.1(b) from Option 1 above].*

**Notes:** Where \* appears in the clause above you may insert such amount as may be agreed with the client but see note\*\* to clause 7.1 above

- 7.3** In the event that the Engagement of the Temporary Worker is for a fixed term of less than 12 months, the fee in clause 7.1.1(b) or 7.2.1(b), calculated as a percentage of the Remuneration, will apply pro-rata. If the Engagement is extended beyond the initial fixed term or if the Client re-engages the Temporary Worker within 3 months of the termination of the first Engagement the Client shall be liable to pay a further fee based on the additional Remuneration applicable for the period of Engagement following the initial fixed term up to the termination of the second Engagement or the first anniversary of its commencement, whichever is sooner.

## **7.4 Inability to supply during the period of hire**

- 7.4.1 If the Client elects for a period of hire, as set out above in clause 7.1 or 7.2, but before the end of such period Engages the Temporary Worker supplied by the Employment Business either directly or pursuant to being supplied by another employment business or the Temporary Worker chooses not to be supplied for the period of hire, the Transfer or Introduction Fee set out in clauses 7.1 or 7.2 may be charged, reduced by such percentage to reflect any period of extended hire already undertaken by the Temporary Worker and paid for by the Client.
- 7.4.2 Where period(s) of absence due to illness or injury prevent the Temporary Worker from being employed or supplied for 4 or more days, which shall be qualifying days for the purposes of Statutory Sick Pay (SSP), during the period of hire as set out above, the period of hire shall be extended by a period equivalent to the total period of absence. Where the Employment Business pays the Temporary Worker SSP during the period of hire an equivalent amount shall be charged to and be payable by the Client in addition to the charges agreed pursuant to clause 3.1.

#### **7.5 Transfer Fees where there has been Introduction to and Engagement by a Third Party**

- 7.5.1 In the event that the **Temporary Worker supplied to a Client is introduced by the Client to a third party which results in the Engagement of the Temporary Worker by the third party** during the Assignment or within whichever is the longer of either
- 14 weeks from the start of the first Assignment (each new Assignment where there has been a break of more than 42 days (6 weeks) since the end of a previous Assignment shall also be considered to be the 'first Assignment' for these purposes); or
  - 8 weeks from the day after the last day the Temporary Worker worked on the Assignment

the Client shall be liable, to pay a Transfer Fee the amount of which is to be agreed between the Employment Business and the Client.

- 7.5.2 If the parties do not agree a Transfer Fee in accordance with 7.5.1 then the Client will be liable to pay a Transfer Fee calculated in accordance with clause 7.1.4 (b) above.

#### **7.6 Introduction Fees where there has been an Introduction but no Supply resulting in an Engagement by a Third Party**

In the event that there is an Introduction of a Temporary Worker to the Client which does not result in the supply of that Temporary Worker by the Employment Business to the Client, but **the Temporary Worker is introduced by the Client to a third party** which results in the Engagement of the Temporary Worker by the third party within 6 months from the date of Introduction the Client shall be liable, to an **Introduction Fee** calculated in accordance with clause 7.2.4 (b) above.

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### **Option 4 – This would be used where you charge a fee according to a sliding scale**

#### **7.1 Transfer fees where a worker has been supplied**

- 7.1.1 In the event of the Engagement by the Client of a Temporary Worker supplied by the Employment Business for an Assignment either (1) directly or (2) pursuant to being supplied by another employment business, during the Assignment or within whichever is the longer of either:
- 14 weeks from the start of the first Assignment (each new Assignment where there has been a break of more than 42 days (6 weeks) since the

end of a previous Assignment shall also be considered to be the 'first Assignment' for these purposes); or

- 8 weeks from the day after the last day the Temporary Worker worked on the Assignment

The Client shall be liable, subject to electing upon giving [\*x] days notice, to either:

- a) An extended period of hire calculated in proportion to the number of weeks the Temporary Worker has been supplied to the client prior to the notice date in accordance with the accompanying schedule of extended hire periods set out below, during which the Client shall pay [\*\*£x per hour or the charges agreed pursuant to clause 3.1] above for each hour the Temporary Worker is so employed or supplied; or
- b) A Transfer Fee calculated as follows: \*.....% of the Remuneration applicable during the first 12 months of the Engagement, less any rebate applicable calculated in accordance with the accompanying schedule of Transfer Fee rebates, or, if the actual amount of the Remuneration is not known, the hourly charges agreed pursuant to clause 3.1 multiplied by [REC recommends a figure of between 150 and 300 times the hourly charge which would equate to a figure of between 10-20% of the annual remuneration] less any rebate applicable calculated in accordance with the accompanying schedule of Transfer Fee rebates. No refund of the Transfer Fee will be paid in the event that the Engagement subsequently terminates. VAT is payable in addition to any fee due.

**Notes:** Where \* appears in the clause above you may insert such amount as may be agreed with the client. However any period of hire or any fee that is charged in accordance with clause (b) must reflect the loss of the Temporary Worker's services to your business. The loss may be your permanent fee or it may be your margin charged over the length of a typical assignment or the balance of any agreed period of assignment where the client brings it to an end earlier than agreed. Otherwise it may be considered to be a penalty and therefore unenforceable. For example, if the worker is engaged directly by the client for a few weeks only and so the loss of business is not significant to you, it may be excessive to charge your normal permanent fee based on 12 months salary.

**\*\* If you choose to insert a different charge to the one specified in clause 3.1 the amount charged for the period of extended hire must be no greater than the amount charged immediately before receipt of the notice.**

## **7.2 Introduction Fees where a worker is introduced but not supplied**

7.2.1 In the event that there is an Introduction of a Temporary Worker to the Client which does not result in the supply of that Temporary Worker by the Employment Business to the Client, but which leads to an Engagement of the Temporary Worker by the Client either directly or pursuant to being supplied by another employment business within [6 months] from the date of Introduction the Client shall be liable, subject to electing upon giving [\*x] days notice, to either:

- a) A period of hire of the Temporary Worker being [\*x] weeks during which the Client shall pay [\*\*£x per hour or the hourly charges agreed pursuant to clause 3.1 above] for each hour the Temporary Worker is so employed or supplied; or
- b) An Introduction Fee calculated as follows: \*.....% of the Remuneration applicable during the first 12 months of the Engagement or, if the actual amount of the Remuneration is not known, the hourly charges agreed pursuant to clause 3.1 multiplied by (REC recommends a figure of between

150 and 300 times the hourly charge which would equate to a figure of between 10-20% of the annual remuneration)] No refund of the Introduction Fee will be paid in the event that the Engagement subsequently terminates. VAT is payable in addition to any fee due.

- c) There are no rebates or reductions of extended periods in respect of charges arising under clauses 7.2.1 a) and b) above.

**Notes:** Where \* appears in the clause above you may insert such amount as may be agreed with the client but see note to clause 7.1 above. Clause 7.2 deals with the scenario where you have introduced a Temporary Worker but there has not been a supply of the Temporary Worker. This model clause 7.2 does not provide for a sliding scale on the basis that you may wish to provide for a higher fee and extended period of hire than under clause 7.1.

### 7.3 Inability to supply during the period of hire

- 7.3.1 If the Client elects for an extended period of hire, as set out above, but before the end of such period Engages the Temporary Worker supplied by the Employment Business either directly or pursuant to being supplied by another employment business or the Temporary Worker chooses not to be supplied for an extended period of hire, the Transfer or Introduction Fee calculated in accordance with either 7.1.1(b) or 7.2.1(b) may be charged, reduced by such percentage to reflect the period of extended hire already undertaken by the Temporary Worker and paid for by the Client.
- 7.3.2 Where period(s) of absence due to illness or injury prevent the Temporary Worker from being employed or supplied for 4 or more days, which shall be qualifying days for the purposes of Statutory Sick Pay (SSP), during the period of hire as set out above, the period of hire shall be extended by a period equivalent to the total period of absence. Where the Employment Business pays the Temporary Worker SSP during the period of hire an equivalent amount shall be charged to and be payable by the Client in addition to the charges agreed pursuant to clause 3.1.

### 7.4 Where there has been an Introduction to and Engagement by a Third Party

In the event that a Temporary Worker supplied to a Client is **introduced by the Client to a third party** which results in the Engagement of the Temporary Worker by the third party during the Assignment or within whichever is the longer of either:

- 14 weeks from the start of the first Assignment (each new assignment where there has been a break of more than 42 days (6 weeks) since the end of the previous Assignment shall also be considered to be the 'first Assignment' for these purposes); or
- 8 weeks from the day after the last day the Temporary Worker worked on the

the Client shall be liable to pay a Transfer Fee calculated in accordance with clause 7.1.1 (b) above.

### 7.5 Where there has been an Introduction but no Supply resulting in an Engagement by a Third Party

In the event that there is an Introduction of a Temporary Worker to the Client which does not result in the supply of that Temporary Worker by the Employment Business to the Client, but **the Temporary Worker is introduced by the Client to a third party** which results in the Engagement of the Temporary Worker by the third party within [6 months] from the date of Introduction the Client shall be liable, to **an Introduction Fee** calculated in accordance with clause 7.2.1 (b) above.

Schedules

**The following schedules are examples of the time frames you could provide for in the sliding scales. Please note under the conduct Regulations there is no restriction on the length of agreed extended period of hire or the level of agreed transfer fee, although the figures must not amount to a penalty.**

*In the example below twelve weeks has been used to illustrate the operation of the sliding scale. Please note that you must amend the figures contained in the sliding scales to reflect the level of extended period of hire and fee rebate to suit your business. The sliding scales below provide for a free transfer and no extended period after a twelve week initial placement*

<b>SCHEDULE OF EXTENDED HIRE PERIODS</b>													
<b>Number of weeks the Temporary Worker has been supplied to the Client prior to the notice date</b>	0	1	2	3	4	5	6	7	8	9	10	11	12
<b>Extended Hire Period (in weeks)</b>	12	11	10	9	8	7	6	5	4	3	2	1	0

<b>SCHEDULE TRANSFER FEE REBATES</b>													
<b>Number of weeks the work seeker has been supplied to the Client prior to the notice date</b>	0	1	2	3	4	5	6	7	8	9	10	11	12
<b>Transfer Fee Rebate (as a % of the Fee set out in clause 7.1(b))</b>	0	5	7	10	20	30	40	50	60	70	80	90	100

**Alternative option**

**The following option is a simplified version of the sliding scale, which can be used to encourage the client to hire the temp for a set initial period. Again the figure of twelve weeks is used as the desired initial placement period. Please note you must amend the figures contained in the sliding scales to reflect the level of extended period or transfer fee rebate suitable for your business. The example below provides for a free transfer and no extended period of hire after an initial twelve week placement. If the placement is 12 weeks or less, the extended period of hire would be a further 20 weeks and the transfer fee under 7.1 (b) would not be subject to a rebate.**

<b>SCHEDULE OF EXTENDED HIRE PERIODS</b>		
<b>Number of weeks the temporary worker has been supplied to the client in the prior to the notice period</b>	0 to 12 weeks	13 weeks or more
<b>Extended hire period (in weeks)</b>	20 weeks	0
<b>SCHEDULE OF TRANSFER FEE REBATES</b>		
<b>Number of weeks the temporary worker has been supplied to the client in the prior to the notice</b>	0 to 12 weeks	13 weeks or more
<b>Transfer fee rebate (as a % of the fee set out in clause 7.1(b))</b>	0%	100%