

LOOK BEFORE YOU LEAP-

how to avoid jumping from the frying pan into the fire when changing jobs

Employment Law Update

Catherine Gannon, managing director of Gannons, a boutique employment law firm based in Holborn, runs through the checklist of matters to consider when you are changing jobs.

There will be many things on your mind when you are looking to change jobs, such as better money and prospects or less travel, but you also need to think about what obstacles your present employer may have placed in your way. There are often ways around any problems but you do need to be aware of the key issues.

Here are a few areas that are worth considering before you take the plunge.

Restrictions in Your Contract

The first thing to consider is whether your contract attempts to control what you can do after your employment comes to an end. An employer can seek to do this in many ways, whether by banning competition, banning approaches to clients, banning dealing with clients (even if it is the client that makes the initial approach and not the former employee), or banning the poaching of former colleagues.



Many employees take the view that these types of restriction are worthless, and in many cases they are. However, as recent cases have shown, courts are prepared to uphold restrictions if they satisfy the necessary legal requirements. Recently a 12 month non competition clause has been upheld.

Your contract may also contain a clause that you must inform a potential new employer of any restrictions in your contract, and if you do so you may find that potential new employer becomes less keen to take you on.

Your contract must be carefully checked, as it may contain clauses that will stop you from doing what you planned to do.

Preparatory Acts

Even where your contract contains no express restriction, certain types of preparatory activity during employment will be prohibited by law. These include anything done in your employer's time, soliciting clients, soliciting exclusive suppliers, entertaining offers from clients and memorising trade secrets or confidential information.

Loss of Rewards

It is common place for bonus clauses to state that no bonus payment will be made if an employee is not employed or is under notice at a specified date. Timing of your resignation is clearly important.

If your employer is pushing you out to avoid making a bonus payment you may well have a case against them.

Similarly share options will often lapse at the end of employment, or will have to be exercised within a limited time of the last day of employment.

Again you need consideration of your contract and applicable share scheme rules, as this could save you a great amount of money.

Pay back and return of property

Contracts often contain clauses requiring an employee to pay back all sums due to the employer at the end of the employment, or to allow the employer to deduct these sums from the final salary payment. This can come as a nasty surprise if you have just taken out a large season ticket loan.

Contracts also often require all property to be returned at the end of employment, which should be borne in mind if you have personal information on computers or mobile phones.

If you have any specific concerns or are unsure of where you stand, please call Catherine Gannon on 020 7438 1062 or email her on cg@gannons.co.uk

Specific legal advice should always be obtained.

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