



## 90 DAY TRIAL PERIODS

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### New Trial Periods

The new Government has introduced amendments to employment legislation including provision for a trial period for small businesses. It will allow employers with fewer than 20 employees to terminate the employment of new staff within the first 90 days without risking a personal grievance for unjustified dismissal. The legislation includes the following conditions:

Employers must include written provision for a trial period in the employment agreement. If you are an employer, you will need to amend your standard employment contract accordingly.

The trial period must not exceed 90 days but can be for a shorter period.

During the trial period the employer may dismiss the employee by giving notice of termination.

The employer is not obliged to provide a statement of reasons for the termination.

The amendment relates to termination processes only. Employees will still be able to bring personal grievance claims for unjustified disadvantage, harassment, discrimination or duress. In all other respects the employee is to be treated no differently from other employees whose employment agreements do not contain a trial period.

### Existing Probationary Periods

Many existing employment contracts provide for probationary periods, sometimes referred to as trial periods. These existing clauses may not be sufficient to invoke the protection provided by the new law. Employers more than 20 staff can continue to use probationary periods. Dismissals during a probationary period can still be challenged but processes can be condensed and termination is easier for employers.

### What will be achieved?

The legislation is designed to encourage employers to provide employment opportunities to people without financial risk to the employer if the employment relationship does not work out. It will provide employers with both an incentive to increase numbers and the opportunity to test whether greater labour capacity brings greater productivity and may provide increased opportunities for employees on the margins of the labour market. Ask our employment team whether it will help your business.

For more information, please contact one of our offices.

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