

## Continuing to work on a contract with no signed contract renewal

Most contractors are familiar with the situation. The contract is coming to a close and the client has promised a [contract renewal](#), but the client's internal 'bureaucracy' has not caught up and the contract has not arrived.

Or maybe the agent has sent through the new contract, but the contractor has not got round to [negotiating](#) out some unpleasant clauses, but keeps turning up for work at the client's site every day.

Whatever the reason, according to [Roger Sinclair](#) of contractor specialist law firm Egos: "Continuing to work without a signed contract, or contract extension, in place is potentially **A Bad Idea**."

### Extension sent but not signed

Busy contractors who have not bothered to sign and return their contract extension, and continue to work for the client beyond the original contract, may be asking for trouble.

"If the contractor continues to work into the new contract period, for which a new contract has been sent," explains Sinclair, "then even if the contractor hasn't signed the new contract, they may be deemed to have accepted it because they've continued working."

So not responding to an unfavourable new contract can be a double-edged sword, and the lesson is that contractors should respond to and renegotiate with the client or agency well before the term of the original contract expires.

If the new contract is left unsigned, but not undisputed, and the contractor continues to work after the original contract period, then this may be considered 'affirmation' of the new contract's terms and, should the contractor later stop working, they might be in breach of contract.

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Roger Sinclair, Egos

### Unfavourable new contract and end-date approaching

"Having been sent a new contract with unfavourable terms," continues Sinclair, "the contractor is under no obligation to accept these new terms and, subject to the provisions of the notice period in the existing contract, can walk away from the deal."

Depending on the notice period on the original contract, the contractor is entitled to give the client or agency an ultimatum to prepare a new contract with more favourable terms; the contractor may threaten to [terminate early](#) if allowed by their contract, or at least to not renew.

As long as the contractor abides by notice and [termination clauses](#), the client or agency would not be entitled to withhold payment for work previously completed.

### No new contract and end-date approaching

If no new contract has been sent, and the original contract period expires, then, if the agency/client allows the contractor to continue to work, the contractor should be entitled to payment according to the original contract and (where applicable) any pay schedules in it, for days actually worked.

However, once the contract period has expired, provisions relating to specific time periods & dates clearly cease to have relevance; where there is no new contract period expressly agreed, the contractor is probably no longer entitled to expect a notice period in the event of termination.

### Extension 'at will'

Contractors' legal advisers will recognise the meaning of the expression 'at will', and Sinclair confirms that an increasing number of contractor contracts automatically include a provision that, if after the end of the contract period, the contractor continues to work and the client accepts that work, any such continuation is 'at will' only, generally meaning that either party can terminate immediately and without having to give any notice.

"If the contractor has continued to work for the client, and the client continues to pay, then both parties have extended the contract 'at will', says Sinclair. "This means most terms will continue to apply even though an extension has not been signed, but date-specific clauses, such as notice periods relating to termination earlier than a specified end date, can no longer apply when that end date itself has passed."

## No substitute for a proper contract

“Even with extensions at will, and deemed acceptance, without an up to date contract, contractors are vulnerable,” concludes Sinclair.  
“There is no substitute for a proper, signed contract.”

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