

Having no termination clause can tie you to the full term of your contract

For some, the market is really tough out there. It can be a bit like Dodge City for contractors and the casualties are mounting.

One casualty this week was a contractor who had no [termination clause](#) and jumped contracts before his six-month term was over. Well done him, you might think, for staying in work.

But now the agency is coming after the contractor for compensation, and the contractor has come crying to [Contractor Doctor](#), whose bedside manner has been seriously lacking in this case.

Think of it this way. You hire a builder to do a loft extension. The project is supposed to take a month. After three weeks, and three quarters into the extension with the roof all bare and the rafters showing, the builder buggers off because they get a better offer elsewhere. You would not be a very happy bunny, and what the builder has done is in breach of contract.

Contracting is no different. You commit to a [contract of service](#) as a supplier providing another business with a service in a business-to-business relationship. Employment law does not enter into it. Contract law is what is important and drives the relationship.

Whether contracting through a [contractor limited company](#), [umbrella company](#) or some other trading vehicle, [contractors do not have employment rights](#) and are not covered by employment law (except umbrella contractors, but that's a [different story](#)).

That's why every contractor should pay a solicitor to [review every contract](#) before signing it. Not an accountant, or another contractor, or a mate down the pub, but an experienced contractor specialist solicitor who is an expert in contract law.

Why? Because they will take out the bad bits the client and agency always want included, or can't be bothered to take out, and crucially they will add in the missing bits. Like termination clauses.

Every contract should have a termination clause – think of it as a 'get out of jail free' card. So always insist on a termination clause, even if it is 30 days rather than a week, because you never know when you might need it.

When it comes to contracting, it's all in the paperwork. So always read and understand the small print, or pay someone who does, because once you've signed the contract, every clause applies to you.

If it isn't down on paper, then it's not worth the paper it's not written on. Bit of a triple negative that, but so is having no termination clause in your contract!

	<p>Dave Chaplin CEO ContractorCalculator</p>		<p>View all our commentators ▶</p>	<p>Dave Chaplin is a former IT contractor in the City of London, and is founder and CEO of ContractorCalculator, and author of the Contractors' Handbook.</p>
<p><i>Market Commentator</i></p>			<p>Started in 1999, ContractorCalculator (this site) is the leading independent website for the UK contracting industry – most of whom are highly skilled knowledge workers. Read Full Profile...</p>	

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