

DATED THIS DAY OF

If you are unsure of rights/obligations as an employer or employee, concerning an agreement, you should seek legal advice. H&BNZ's preferred employment lawyer is Heaney & Partners

BETWEEN

[CONTRACTOR NAME]

AND

[SALON/BARBERSHOP NAME]

INDEPENDENT CONTRACT FOR SERVICES

Commentary

[Delete before finalising]

This agreement provides for a salon or barbershop to enter into a **contract for services** with an individual. This may be appropriate where the salon or barbershop does not rely on the individual to provide services routinely (as it would with an employee), or where the individual has their own clientele (as in operating their own business).

Take time to carefully complete the particulars of Schedule 2 of the agreement. If you require assistance with this you may contact the NZARH's preferred legal advisor, Heaney & Partners.

Once this agreement is signed the individual will be deemed to be a contractor to the salon or barbershop. They will be self-employed and earn income by invoicing the salon or barbershop for their services. The contractor pays their own taxes and service expenses.

Contractors are not covered by most employment-related laws. This means they do not get benefits such as annual leave or sick leave, and they cannot raise personal grievances. They are required to pay their own taxes and expenses, and general civil law determines most of their rights and responsibilities. The salon or barbershop is not required to keep the contractor's records, rather the contractor is responsible for their own record keeping.

This arrangement may be attractive to some salons or barbershops as it avoids the 'administration' that is typically involved with employing staff. However, exercise caution before taking on contractors. The individual will be expected to have some business knowledge in order to practice on their own account. If they do not, and instead rely on you to provide their services, then the relationship may be deemed by the courts to be one of employer and employee, irrespective of this agreement that is being signed.

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SCHEDULE 1: CONTRACTOR DETAILS

Contractor

Full name

Home address

Postal address (if different)

Home phone number

Mobile phone number

Email address

First person to be notified in case of accident or illness

Name

Address

Home phone number

Mobile phone number

Second person to be notified in case of accident or illness

Name

Address

Home phone number

Mobile phone number

Financial information

IRD number

Tax code

Bank / branch

Bank account number

Contractor initials here:

SCHEDULE 2: PARTICULAR TERMS

Contract details:

Location of work (clause 1)	[Name of salon and physical address]
Commencement date (clause 4)	[Date]
Percentage payment (clause 7)	[Sum of XX% of service turnover, inclusive of GST]
Minimum payment (clause 8)	[Minimum payment per week to be made irrespective of turnover, inclusive of GST]
Percentage commission (clause 20)	[Percentage of commission on the sale of salon products]

(the above clause references are to clauses in the General Terms)

Special terms

[Enter terms that are unique to the contractor and are not included under the General Terms heading. This could be any reasonable and lawful arrangement that you and the contractor agree to, such as: bonus payments, important work requirements, or obligations that apply to the contractor but are not suitable for your general workplace policies and procedures. We strongly recommend that you take legal advice on any special terms that you intend to insert here.]

Contractor initials here:

GENERAL TERMS

Objectives

1. We own and operate a salon or barbershop located at the 'Location of work' recorded in Schedule 2 (Particular Terms) (the **Salon** or the **Barbershop**).
2. With our agreement, you wish to occupy and conduct a hairdressing business from the 'Location of work' recorded in Schedule 2 (Particular Terms).
3. The parties wish to record their respective obligations and responsibilities for this arrangement, as outlined below.

Term

4. From the 'Commencement Date' recorded in Schedule 2 (Particular Terms) and until this agreement is terminated by either party with a minimum of one month's written notice, we grant you a licence to occupy part of the Salon or Barbershop.

Contractor's business

5. You acknowledge that you are running your own business within the premises of the Salon or Barbershop, and are therefore self-employed and solely responsible for the payment of all taxes (including PAYE and GST) in relation to that business.
6. Nothing in this agreement or the relationship between us and you shall be construed as creating or be deemed to create the relationship of principal/agent or employer/employee as defined in the Employment Relations Act 2000.

Your obligations

7. You must pay to us the 'Percentage payment' recorded in Schedule 2 (Particular Terms) at the end of each calendar month (or the next available date falling on a work day). The first payment should be made at the end of the calendar month following the 'Commencement Date' recorded in Schedule 2 (Particular Terms).
8. Notwithstanding the above clause, you agree to pay, at least, the 'Minimum payment' recorded in Schedule 2 (Particular Terms) per week.
9. Where there is a direct financial benefit to you, you must pay us the sum of 10% of the total value of the services offered to your clients by us, such as (but not including) Bartercard, Total Experience and similar marketing arrangements entered into by us and our suppliers.
10. You must arrange suitable public liability insurance cover for the term of this agreement in order to cover injury to any client by you or any damage to the client's property or any damage to the Salon's or Barbershop's premises.
11. You must keep proper accounting records for your business, and to assist us or our agent(s) with the daily reconciliation of sales and expenditure.

12. You agree to pay us any additional costs incurred by us on your behalf, including (but not limited to) advertising your business and costs of any materials owned by us and used by you. Such costs are to be paid by the 20th day of the month following usage.
13. You agree to indemnify us in respect of any liability for taxes of any description (including income tax and GST) due in respect of your business.
14. You agree to supply all of your own equipment to enable you to carry out your business.
15. You agree to act at all times in a manner designed to uphold and build upon the good reputation of the Salon or Barbershop and to adhere to any policies we have relating to the running of the Salon or Barbershop.
16. You agree to co-operate with us in any marketing/promotion that the Salon or Barbershop may be involved in.
17. You agree to advise us of any dates and hours during which you will be absent, whether for holidays or other reasons, and you will co-operate with us to make arrangements to provide for an alternative service, on a temporary basis, at any time when you are unable to provide your normal services.

Our obligations

18. In consideration of the 'Percentage payment' and/or 'Minimum payment' recorded in Schedule 2 (Particular Terms), we agree to supply you:
 - a) With the premises and facilities of the Salon or Barbershop;
 - b) A fully computerised appointment system, including daily printouts of your daily schedule, weekly reports and the like together with the assistance of a professional front desk manager; and
 - c) Heating, lighting, water, cleaning and maintenance of the Salon or Barbershop.
19. The parties agree that all fees earned by you during the course of running your business from the Salon or Barbershop, are to be deposited in the first instance into a bank account controlled by us. Such funds will then be remitted into your bank account each calendar week, less any deductions made by us in accordance with this agreement. The amount remitted will be that specified in an invoice prepared by you and provided to us for each calendar week. We will in turn provide you with an invoice specifying the amounts deducted under this clause (if any).
20. In addition to those amounts specified in the above clause, we agree to pay you the 'Percentage commission' recorded in Schedule 2 (Particular Terms), on all stock owned by us, but sold personally by you.
21. In return, you agree to pay us the 'Percentage commission' recorded in Schedule 2 (Particular Terms), on all stock owned by you (if any) but sold by us and/or our staff. Such amount shall be deducted from the payments due to you under clause 19.

22. You acknowledge and agree that all stock used by you for retail purposes must be entered into the Salon's or Barbershop stock system.

No authority to bind other party

23. Neither party to this agreement shall have authority to guarantee the credit of the other party, make representations or incur liabilities, or bind the other party in any way without the consent in writing of that party.

Confidentiality and restraint of trade

24. All matters relating to our business (including information relating to the Salon's or Barbershop's clients) are to be treated as confidential and shall not be disclosed to any third party (unless required by law).

25. You shall not, at any time, either during the term of this agreement or for a period of three months after the termination of this agreement, either directly or indirectly, and whether as a principal, partner, agent, or employee, carry on business as a hairdressing salon or barbershop within a radius of one kilometre or have an interest as director or shareholder in, or otherwise directly assist such a business without the express written consent of us.

26. You shall not, for a period of three months from the termination of this agreement, whether personally, in partnership, as an employee, or through any employer or agent, or in any other way:

- a) Solicit, procure, direct or otherwise be instrumental in the diversion of any business of any person or organisation from us or the Salon or Barbershop; or
- b) Perform services for any such person or organisation you have provided services to while at the Salon or Barbershop in the 12 months immediately preceding the termination of this agreement.

27. The parties agree that the fee arrangements specified in this agreement have been determined having regard to the restrictive covenants contained in this agreement.

Intellectual property

28. All legal interests (including copyright) in inventions, designs, media (including, but not limited to, video and photography), new or modified procedures and all similar rights or developments by you while at the Salon or Barbershop during the term of this agreement are our property. You give up any claim to such interests (including moral rights).

Termination for breach

29. This Agreement may be terminated by either party by notice in writing of a substantial breach of this agreement by the other party.

Contractor initials here:

Termination

30. One month's written notice may be given by either party to terminate this agreement at any time without having to give any reason or explanation, and in the event of termination there will be no right of appeal by either party, unless proper notice has not been given.

No goodwill

31. No goodwill will be attached to this agreement. You shall not be entitled to any payment of a goodwill nature on termination of this agreement, for any reason whatsoever.

Variation of agreement

32. This agreement shall not be varied or amended except by mutual agreement between the parties in writing, signed by you and by us.

Assignment

33. You shall not transfer, assign or sub-contract all or any part of your interest under this agreement.

Dispute resolution

34. In the event of a dispute arising over the interpretation of this agreement or anything contained herein, the parties agree to first set out their dispute in writing and then to use their best endeavors to resolve the agreement privately.
35. If the parties are unable to resolve the dispute between themselves, then the matter will be referred to arbitration. An arbitrator will be appointed between the parties and failing such agreement, will be dealt with in accordance with the provisions of the Arbitration Act 1996 and its amendments.

Complete Agreement

36. This agreement forms the complete agreement between the parties, and supersedes any prior agreement, warranty, stipulation or other obligation.
37. The parties agree that they have both been given the opportunity to seek independent legal advice prior to entering into this agreement.