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| **SERVICE AGREEMENT** |

**EXAMPLE OF A SERVICE AGREEMENT BETWEEN A PRODUCER AND LABOUR BROKER**

Between

**ABC LABOUR SERVICES**

Referred to as the TES (Temporary Employment Service) in the Agreement.

and

……………………………..……………………………………………………………………………………

Referred to as the "Client" in the Agreement

**1. REGISTRATION**

The TES hereby confirm that it operates as a Temporary Employment Service as defined in the Labour Relations Act No. 66 of 1995.

Registrations:

* 1. SARS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  2. SDL: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  3. WCF: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  4. UIF: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2. DURATION OF CONTRACT**

This contract will commence on \_\_\_\_\_\_\_\_\_\_\_\_\_and continue until \_\_\_\_\_\_\_\_\_\_\_\_\_ or alternatively, when the contracted services are completed.

**3. SERVICES**

The following services will be delivered to the Client:

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**4. The TES agrees to:**

4.1 Employ and supply \_\_\_\_\_\_\_\_\_\_\_suitable Employees to the Client.

4.2 Be responsible for the disciplining of Employees supplied to the Client.

4.3 Be responsible for the total remuneration package of the Employees.

4.4 Monitor the progress of the Employees and provide the necessary support and discipline to ensure the efficiency of the Employees.

4.5 Replace employees who do not comply with the agreed performance standards.

4.6 Provide professional assistance with regard to the handling of the Employees.

4.7 Ensure that Employees are at all times registered in accordance with the requirements of the Compensation for Occupational and Diseases Act, UIF, SDL and PAYE.

4.8 Ensure that Employees are employed on conditions of service that are no less favorable than those stipulated in the Basic Conditions of Employment Act, 1997, as amended as well as any Sectoral Determination applicable, including wages at or higher than the applicable minimum wage.

4.9 Ensure that it complies with the provisions of the Labour Relations Act 1995, as amended or any other relevant legislations as amended from time to time.

4.10 Allow the Client to at any time inspect the records and employment practices of the TES to ensure legal compliance and if non-compliances are found to correct this within an agreed time period. If not adhered to, the Client may terminate this agreement.

4.11 Supply transport to the Employees, unless agreed otherwise.

4.12 Not to employ foreign nationals without the required documentation or children below the age of 18.

**5. THE CLIENT AGREES TO:**

* 1. Inform the TES of any dissatisfaction regarding an Employee's work performance or conduct and give the TES reasonable opportunity to rectify the situation should the Client find the work performance or conduct of the Employee unsatisfactory. In this regard the Client undertakes to advise the TES immediately in the event of any employee:

1. Intending to resign
2. Being absent from work
3. Being unable to attend work for any reason whatsoever
4. Requiring disciplinary action.
   1. Ensure that the Employees are aware of and understands the internal Rules and Policies, including the Safety Rules and Regulations applicable to the Client’s workplace and agrees to provide the Employees with any protective clothing and/ or equipment legally required.
   2. Indemnify the TES from any claim of whatsoever nature arising out of any loss, damage or injury sustained by an Employee whilst working on the premises of the Client if it can be proved that the Client did not provide and maintain, as far as reasonably practical, a working environment that is safe and without risk to the health and safety of Employees.
   3. Carry the cost of training, if required and agreed to by the parties.
   4. Should the contract between the Client and the TES terminate for any reason, the Client will not employ any employee of the TES if not agreed to by all three parties.
   5. Not use any TES documentation (i.e. during audits/inspections) without the permission of the TES.

**6. FEE**

* 1. The Client will pay the TES a weekly/2 weekly/monthly fee calculated at “x”% of the value of the payroll, i.e. the total value of the wages and salaries payable to the Employees of the TES assigned to the Client.
  2. All invoices are payable by electronic transfer within seven (7) days of the date of the invoice.
  3. The fee referred to in (6.1) above, excludes the value of the following costs of employment which will be payable to the TES as a separate payment:

1. UIF: 1%
2. Provident Fund “x” (where applicable)
3. Skills Development Levy 1%

It is understood that these costs will be added to the service fee as a result of the requirements of current tax legislation which demand that no relationship should exist between the Client and the Employees of the TES.

* 1. Should any of the abovementioned costs of employment increase as a result of amendments to current legislation or the introduction of new legislation the Client agrees that the necessary amendments and adjustment shall be made to these amounts in order that they may be incorporated into the monthly service fee.

**7. GENERAL**

7.1 The TES will be responsible for all administrative matters regarding its Employees.

7.2 All other benefits, i.e. leave, sick leave, etc., will be the responsibility of the TES.

I, ……………………………………………………………………………………………hereby declare that the contents of this contract have been explained to me and that I fully understand and agree to abide by these conditions.

Signed at…………………………………this ……………day of…………………………………. 20....

………………………………………………… ………………………………………………………………

ABC LABOUR SERVICES ADDRESS & TEL NUMBER

…………………………………………………. …………………………………………………………………

THE CLIENT ADDRESS & TEL NUMBER