

Contracts and Restrictive Covenants

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After you and your potential employer have discussed expectations, including salary, benefits, and hours and you feel confident it is the right position for you, it is time to come to an agreement on the details of your employment. Before you accept any offer of employment, be sure that you have a clear understanding of the terms of employment including start date, salary, work schedules, and whether or not you will be required to sign an employment contract and/or a non-compete agreement. Be sure to ask your potential employer questions to clarify any areas on which you are unclear.

Employment Contract or No Employment Contract?

- Your employer may require that you sign an employment contract as a condition of employment. Employment contracts obligate you to stay in the employ of the company for a certain length of time, usually with salary and duties clearly stated. There may be a provision for early termination of employment within the contract. You should always have a lawyer review any contract before you sign it.
- Most states are "Employment-At-Will" states. Employment-at-will means that both the employer and the employee are free to terminate the employment relationship **at any time for any reason, without cause or prior notice**. Even with an employment contract, employment-at-will may still not be superseded. Be sure you understand how it applies to you and your situation.
- If your employer does not require an employment contract, you should request an "offer letter" from your potential employer clearly stating the terms of your employment.

Restrictive Covenants and Non-Compete Clauses

- An employment contract may contain restrictive covenants and/or non-compete clauses. These are highly variable and may be inserted into a contract to restrict an employee from taking another job within a certain distance from the original place of employment for a certain amount of time after employment is terminated.
 - The general guideline for a restrictive covenant is a radius that encompasses 80 percent of the patient base of the practice as the geographic restriction.
 - There are no set guidelines regarding the time restrictions of a non-compete agreement.
- If the clause is too restrictive, this can be a point of negotiation. Again, a lawyer should always be consulted before signing any contract.

This information is not intended as legal advice. Employment laws may differ greatly from state-to-state and from city-to-city. You should consult an attorney, preferably one knowledgeable in employment law, to determine which federal, state, and local laws apply to you.

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