

Sample Contract Template for DPM as Employee

From the AAPPm Resource Center



American Academy of Podiatric Practice Management

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Contract of Employment

THIS AGREEMENT, made and entered on this date _____ between _____ (hereinafter called the 'EMPLOYER') and Dr. _____ (hereinafter called the 'EMPLOYEE')

WITNESSETH:

WHEREAS, the EMPLOYER are licensed podiatrists and carrying on a practice in the state of _____ and

WHEREAS, the EMPLOYEE is a podiatrist and is duly licensed and admitted to practice in the state of _____ and

WHEREAS, the EMPLOYER values highly the services of the EMPLOYEE and deems it desirable to retain his services as a podiatrist and

WHEREAS, the EMPLOYEE is willing to be employed as a podiatrist by the EMPLOYER and

WHEREAS, the parties hereto are desirous of entering into a formal contract of employment:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed as follows:

Employment, duties and performance

The EMPLOYER hereby employs the EMPLOYEE as a podiatrist, his powers and duties in that capacity to be such as may be determined by the EMPLOYER. The EMPLOYEE agrees to such employment, agrees to devote his exclusive time, attention and efforts to complete the tasks assigned to him by the EMPLOYER. The normal office week shall be defined as the current working schedule of _____. Due to the nature of this podiatric medical practice, emergency situations, lectures, podiatric screenings and writing of podiatric related articles would require additional time.

Term of Employment

Except in the case of termination as outlined in section 12 of this agreement, the term of this contract of employment shall begin as of _____ and shall continue until _____. This contract of employment can be terminated upon thirty (30) days written notice by either party to the other.

Compensation

For all services to be rendered by the EMPLOYEE in any capacity under this contract, the EMPLOYER shall pay the EMPLOYEE, during the term of this contract, compensation as set forth hereinafter:

1. **Base Compensation:** A yearly salary of \$_____ payable weekly.
2. **Additional Compensation:** EMPLOYEE will also be compensated an additional bonus of thirty (30) percent of the receipts generated from his/her own productivity, which exceed _____ per quarter. This bonus is paid 30 days after the quarter ends. The first quarter will begin _____ and will end _____. The last quarter will run from _____ to _____ and the excess required for a bonus will be 2/3rds of _____ or \$_____.
3. **Additional Benefits:** The EMPLOYER also agrees to provide and pay for the EMPLOYEE'S malpractice insurance premiums as well as membership dues applicable to the profession as approved by the employer.

4. **Working Facilities.** The EMPLOYEE shall be furnished with the use of the EMPLOYER'S offices, equipment, instruments, drugs and podiatrists supplies for the performance of his duties.
5. **Expenses.** The EMPLOYER shall pay or reimburse the EMPLOYEE for the following expenses incurred by him or on behalf of the EMPLOYER:
 - Hospital affiliation dues in which the EMPLOYEE renders service for the EMPLOYER.
 - The EMPLOYER will also pay for the fees associated with the registration of one postgraduate scientific seminar annually. The EMPLOYEE must give thirty (30) days notice of plans to attend the seminar.
6. **Disability.** EMPLOYEE shall be covered under the EMPLOYER'S Worker's Compensation Policy. EMPLOYEE hereby is strongly urged to provide an adequate level disability insurance coverage at his own expense. In the event of disability of EMPLOYEE preventing him from performing the duties and obligations under the terms of this agreement, the EMPLOYER agrees to continue to pay EMPLOYEE half of the base salary until EMPLOYEE begins to receive payments under his own disability insurance plan. In the event EMPLOYEE opts not to obtain additional disability insurance coverage, total compensation, in the event of incapacitation of EMPLOYEE, shall be limited to the amounts paid under the mandatory Worker's Compensation provisions plus two (2) weeks base salary.
7. **Malpractice Insurance.** EMPLOYER hereby agrees to purchase and maintain in effect professional liability insurance upon EMPLOYEE with minimum limits of \$1,000,000 for each claim/\$3,000,000 for annual aggregate claims, or at levels deemed appropriate by EMPLOYER.
8. **Death During Employment.** If the EMPLOYEE should die during the term of this contract the EMPLOYER shall pay his fiduciary, personal representative or estate of the deceased EMPLOYEE, that salary which would have otherwise been payable to him through the end of the calendar month during which his death has occurred. The employer will then have no further obligations due to the estate.
9. **Vacation and Days Off.** During the term of this contract, the EMPLOYEE shall be entitled to a three week paid vacation the time of which is to be agreed upon between the parties. The EMPLOYEE agrees not to vacation when either other doctor is vacationing. The EMPLOYEE will not be required to work New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day. This, however, is contingent upon the on call schedule and emergencies necessitating treatment.
10. **Medical Records.** If for any reason the EMPLOYEE shall permanently leave the employ of the EMPLOYER, it is agreed that any patient treated by the EMPLOYEE shall be considered a patient of the EMPLOYER solely and any podiatry records of any person who was a patient of EMPLOYEE at the time of such termination shall remain the property of the EMPLOYER.
11. **Covenant Not to Compete.** If for any reason the EMPLOYEE shall permanently leave the employ of the EMPLOYER, it is agreed that as follows,
 - For a period of three (3) years from termination, the EMPLOYEE may not practice podiatry in any way within a radius of ten (10) miles of (the office)
 - **Liquidated Damages.** Should the EMPLOYEE not oblige by the restrictive Covenant set forth in the preceding paragraph, then a reasonable reimbursement will be made by the EMPLOYEE to the EMPLOYER for the good will and competitive knowledge he has taken from the practice. Key referral sources are gained during practice management strategies and much time and money has been spent obtaining such referral sources. Should the restrictive covenant be violated the EMPLOYER'S recourse is to collect money from the former EMPLOYEE equal to ten (10) percent of the EMPLOYEE'S gross profit or a maximum of two-thousand dollars (\$2,000.00) per month for five (5) years. This is in addition to paying for the EMPLOYER'S

legal fees in any matter pertaining to the covenant not to compete. By signing this contract of employment, the EMPLOYEE and EMPLOYER agree to these terms.

12. Termination of Agreement.

- Notwithstanding any provision herein to the contrary, in the event the EMPLOYEE should have his license to practice podiatry in the state of _____ revoked or suspended, this contract of employment shall terminate forthwith and all further salary payments shall cease and be terminated as of the date of such revocation or suspension.
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- This contract of employment can be terminated without cause upon thirty (30) days written notice by either party to the other. In the event of gross misconduct or negligence by EMPLOYEE, EMPLOYER may terminate the employment agreement created herein by written notice delivered by EMPLOYER to EMPLOYEE effective immediately.

13. **Notices.** Any notices necessary or required according to the term of this contract of employment shall be deemed sufficient if in writing and sent by certified mail to the EMPLOYER at his office or the EMPLOYEE at his residence.

14. **Governing Law.** This contract shall be subject to and governed by the laws of the State of New Jersey.

15. **Invalid Provision.** The invalidity of all or any part of any paragraph or paragraphs of this contract shall not invalidate the remainder of this contract or the remainder of any paragraph not invalidated.

16. **Binding Effect.** This contract shall ensure to the benefit of and bind the personal representatives, successors and assign of the EMPLOYEE and the heirs, administrators or assign of the EMPLOYER. However, insofar as the EMPLOYEE and the EMPLOYER are concerned, this contract of employment being personal, cannot be assigned, transferred, pledged, not hypothecated in any way, nor made subject to execution, attachment or similar process.

17. EMPLOYEE agrees to conform to the reasonable dress code as directed by EMPLOYER.

18. **Confidentiality.** EMPLOYEE specifically agrees that he will not, whether during or subsequent to the termination of this agreement, in any fashion, form or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, or corporation in any manner whatsoever, any information of any kind nature, or description concerning any matters affecting or relating to the EMPLOYER'S business. Such matters include, but are not limited to, the names, addresses, or particular desires or needs of patients of the EMPLOYER.

19. **Entire Agreement.** The contract constitutes the entire agreement between the parties hereto and contains all of the agreements between said parties with respect to the subject matter hereto. Further, this contract supersedes any and all other agreements either oral or in writing, between the parties hereto, with respect to the subject matter hereof.

20. **Amendments.** This contract may be amended or revoked at any time by a written agreement executed by the parties hereto.

21. Following the termination date of this contract notwithstanding any previously noted cause of termination, a partnership agreement between Dr. _____ and _____ (EMPLOYER) will commence subject to terms and conditions to be negotiated six months before this contract terminates. Following a fulfillment of obligations to be set forth in a future partnership agreement, Dr. _____ will be legally and contractually an equal partner in all assets, other than real estate, with Dr. _____ and Dr. _____

_____ beginning January 1, 2001. The first thirty-five (35) percent of operational profits, to be defined in the shareholder agreement, will be split equally by Dr. _____, Dr. _____ and Dr. _____ with the remaining sixty-five (65) percent allocated according to each provider's productivity ratio. Additionally, Dr. _____ will be required to fulfill a buy-in in the amount of \$_____ payable over a period of six (6) years.

IN WITNESS WHEREOF, the EMPLOYER has caused this contract of employment to be executed in duplicate, and the EMPLOYEE has hereunto signed this contract on the day and the year below.

IN THE PRESENCE OF:

| | |
|----------|-------|
| _____ | _____ |
| EMPLOYER | Date |
| _____ | _____ |
| EMPLOYEE | Date |
| _____ | _____ |
| WITNESS | Date |