### **EMPLOYMENT CONTRACT**

THIS CONTRACT is made as of the \_\_\_\_\_\_day of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ , between Company Name [Insert DBA or Common Name], a corporation [or other business type] incorporated under the laws of [Insert state] and having its principal place of business at [Insert address), [the Employer]; and [Employee Name], of [City, State], the Contract Employee.

WHEREAS the Employer desires to obtain the benefit of the services of the Employee, and the Employee desires to render such services on the terms and conditions set forth.

IN CONSIDERATION of the promises and other good and valuable consideration, the parties agree as follows:

#### **1. Employment**

The Employee, referenced throughout as “Employee” agrees that they will at all times faithfully, industriously, and to the best of their skills, experience and talents, perform all of the duties required of the position. In carrying out these duties and responsibilities, the Employee shall comply with all Employer policies, procedures, rules, and regulations, both written and oral, as are announced by the Employer from time to time.

#### **2. Position Title**

As a [Input Job Title], the Employee is required to perform all of their necessary job functions and duties, and all other duties that may be assigned to Employee from time to time by Employer. This is a [full-time/part-time] position, expected to average [xx] hours per week.

#### **3. Compensation**

As full compensation for all services provided, the Employee shall be paid at the rate of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_\_\_\_) per [hour/annually] and will be subject to [Annual/ quarterly/or *describe* other review period] review. Such payments shall be subject to normal mandatory deductions by the Employer (i.e. Federal & State Taxes, Social Security, Medicare).

*[Omit last sentence if the worker is paid by* [*1099 instead of a W2*](https://fitsmallbusiness.com/w2-vs-1099/)*.]*

#### **4. Benefits**

In addition, the Employee will be eligible to participate in bonuses and other employee benefit plans established by the Company for its employees from time to time. The Employer currently offers [insert list of benefits offered, but not prices]. More details on these benefits will be provided under separate cover. The Employee is eligible for company benefits after [insert time frame, must be less than 90 days after start date for health insurance].

*[Omit this section for 1099 contractors and freelancers.]*

#### **5. Probationary Period**

It is understood and agreed that the first 90 days of employment shall constitute a probationary period. During this probationary period, the Employee is not eligible for paid time off or other benefits.

Though termed a probationary period, the Employer retains the right to exercise at will employment at any time and may terminate the Employee at any time without notice or cause.

*[Adapt or delete this section according to your business’ needs as not all businesses have a probationary period].*

#### **6. Paid Time Off**

The Employee is not eligible for any kind of leave until the 90-day probationary period has been passed successfully*. [Omit this sentence if you do not use a probationary period in your company.]*

The Employee shall be entitled to the following paid time off:

* Vacation time in the amount of [XX weeks per year, which equals XX days or XX hours].
* Sick leave is provided in the amount of [XX weeks, which equals XX days or XX hours per year.]
* The Employer also provides Bereavement leave if needed.

*[Include these sections only if you offer these benefits.]*

Please see the Employee Handbook for more information and for appropriate use/ policies regarding all time off and leave. [Include this text only if you have an [employee handbook](https://fitsmallbusiness.com/employee-handbook-sample/)]

*[Omit all or part of this section if it’s not relevant for 1099 contractors or freelancers who are typically not given paid time off.]*

The Employer reserves the right to change or otherwise modify, in its sole discretion, any paid time off policies.

#### **7. At Will Employment**

While we look forward to a long and profitable relationship, you will be an at will employee of the Employer, which means the employment relationship can be terminated by either of us for any reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary (and, indeed, any statements contradicting any provision in this contract) should be regarded by you as ineffective.

The Employee may at any time terminate this contract and employment by giving not less than [30-days] written notice to the Employer. The Employee agrees to return any and all property of the Employer at the time of termination.

Should the Employer terminate the Employee anytime after the 90-day probationary period has ended, severance is to be paid in the amount of one week per year worked. [This sentence is optional and should be adapted for your severance policy. ]

#### **8. Non-Competition Covenant & Confidentiality**

As an Employee of the Employer, you will have access to certain confidential information of the Employer and you may, during the course of your employment, develop certain information or inventions that will be the property of the Employer. You may not disclose this information outside of the Company. We also wish to impress upon you that we do not want you to, and we hereby direct you not to, bring with you any confidential or proprietary material of any former employer or to violate any other obligations you may have to any former employer.

To protect the interests of the Employer, you will need to sign the Employer’s standard “Confidentiality and Intellectual Property Assignment Agreement” as a condition of your employment [Optional].

During the period that you render services to the Employer, you agree to not engage in any employment, business, or activity that is in any way competitive with the business or proposed business of the Employer. You will disclose to the Employer in writing any other gainful employment, business, or activity that you are currently associated with or participate in that competes with the Employer. You will not assist any other person or organization in competing with the Employer or in preparing to engage in competition with the business or proposed business of the Employer.

More details will be provided in the Employer’s “Confidentiality and Intellectual Property Assignment Agreement” under separate cover [Optional].

Furthermore, it is agreed that following termination of the employee’s employment with the Employer for any reason, the Employee shall not hire or attempt to hire any current employees of [Insert name of Company].

It is further acknowledged and agreed that following termination of the Employee’s employment with the Employer for any reason, the Employee shall not solicit business from current clients or clients who have retained the Employer during the prior 12 month period.

#### **9. Integration**

This contract contains the entire agreement between the parties, superseding in all respects any and all prior oral or written agreements or understandings pertaining to the employment of the Employee by the Employer and shall be amended or modified only by written instrument signed by both of the parties hereto.

#### **10. Authorization to Work**

Please note that because of employer regulations adopted in the Immigration Reform and Control Act of 1986, within three (3) business days of starting your new position, you will need to present documentation demonstrating that you have authorization to work in the United States.

#### **11. Severability of Contract**

The parties hereto agree that in the event any article or part thereof of this contract is held to be unenforceable or invalid, then said article or part shall be struck, and all remaining provisions shall remain in full force and effect.

#### **12. Choice of Law**

This contract shall be governed, interpreted, and construed in accordance with the laws of the State of [Insert state name].

If you decide to accept this Employment Contract, please sign in the space indicated. Your signature will acknowledge that you have read, understood and agreed to the terms and conditions of this agreement.

IN WITNESS WHEREOF the Employer has caused this contract to be executed by its duly authorized officers and the Employee has agreed as of the date first above written.

SIGNED, SEALED, AND DELIVERED in the presence of:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Employee Date

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Owner/CEO Date