

## **Checklist - Employment Agreements**

Checklist of matters to be considered in drafting an employment agreement:

- 1. Identification of parties.**
  - A. Employer.
  - B. Employee.
- 2. Term of agreement.**
- 3. Place where agreement is to be performed.**
- 4. Duties of employee.**
  - A. Hours of employment.
  - B. Best efforts to be devoted to employment.
  - C. Maintaining outside job or interest.
- 5. Working facilities.**
  - A. Maintaining trade secrets.
  - B. Inventions and patents.
    1. Discovery in course of employment.
    2. Use of employer's facilities.
    3. Relation of discovery to employer's business.
- 6. Compensation.**
  - A. Wage, salary, or commission.
  - B. Overtime work or night differential.
  - C. Pay while unable to work due to illness.
  - D. Effect of termination or noncompletion of employment.
  - E. Special compensation plans.
    1. Deferred compensation.
    2. Percentage of sales or profits.

3. Incentive bonus.
4. Profit sharing.
5. Stock options.
6. Pension and retirement plans.

**7. Expense account.**

- A. Travel.
- B. Meals.
- C. Lodging.

**8. Covenant not to compete after leaving employment.**

- A. Length of time.
- B. Geographical limitations.
- C. Irreparable harm suffered by employer.
- D. Hardship not greater than necessary on employee.
- E. Agreement not injurious to public interest.

**9. Employee benefits.**

- A. Life and disability insurance.
- B. Medical insurance.
- C. Dental insurance.
- D. Workers' compensation.

**10. Termination of employment.**

**11. Right of either party to terminate on proper notice.**

**12. Discharge of employee for cause.**

**13. Remedies for breach.**

**14. Vacations and holidays.**

**15. Assignability of contract by employer or employee.**

**16. Modification, renewal, or extension of agreement.**

- 17. Complete agreement in written contract.**
- 18. Law to govern interpretation of agreement.**
- 19. Effective date of agreement.**
- 20. Signatures.**
- 21. Date(s) of signing.**