

THREE EMPLOYMENT AGREEMENT “BASICS”

An Executive Employee’s Perspective

By: *Jared A. Jacobson, Esq.*

Whether you are a high-powered executive, able to write your own terms or a mid-level employee who has been offered an employment agreement, here are some basic concepts to help guide you through a simple employment agreement:

ONE: Timing – An employee at the executive level will most likely be offered the company’s form employment agreement after the position is informally “accepted” and the “basic terms” have been worked out. Do not accept the form agreement at this stage without having an employment attorney review the document to confirm that it does in fact have the “basic terms”, including executive protections. Should you not be handed an employment agreement you may request that some of these “basics” be added to an offer letter.

TWO: Leverage, the “Small Stuff” – Who are You and Who are They? It is important to understand how you fit into the equation, how unique your services or relationships are and how the potential employer values them. If you are being offered an employment agreement, chances are your potential employer will commit many of its resources to guaranteeing your employment with the company. A few “small stuff” examples include: re-location expenses for you and your family to the city where the job is located, potentially in the form of a sign-on bonus; re-location expenses back to the original location should the position cease; severance between 12-18 months plus all or a portion of benefits paid for by the company; annual bonus regardless of current employment when handed out; and potential employer accepting legal costs for negotiating the employment agreement.

THREE: Non-Compete & Restrictive Covenants - An often neglected, but very important provision in an employment agreement is the non-compete and restrictive covenants clause. A non-compete clause restricts an employee from practicing his/her trade for a certain period of time within a specific geographical area. The term of the clause typically ranges in duration from one to three years. The scope of the clause can restrict the practice of an entire profession or only a specific area of an industry in which the company and executive is operating. Enforceable if drafted correctly, although routinely disliked by the courts, it is advisable to both the company and executive to negotiate a fair and reasonable non-compete provision so that neither party expends unnecessary time and money down the road. This provision should be reasonably tailored down or removed all together.

Employment agreements often last between 1-5 years so it is essential to understand your rights and obligations under the agreement. Navigating the provisions of an employment agreement can be tricky and it is advisable to find an attorney who can advise you on the agreement itself and help you understand the process.

Jared A. Jacobson, Esq. is an Employment Attorney with the law firm of Jared Jacobson Law, LLC, practicing in Philadelphia, Pennsylvania, New Jersey & New York. Jared has experience representing employers and executives in employment and severance agreement negotiations as well as other

employment-related matters. Should you have any questions or comments, Mr. Jacobson can be reached at: E-mail jjacobson@jaredjacobsonlaw.com Tel: **215-575-0890** Website www.jaredjacobsonlaw.com



Disclaimer

Viewing this document or contacting Jared Jacobson Law, LLC does not create an attorney-client relationship. This document is intended as a general comment on certain recent developments in the law. It does not contain a complete legal analysis or constitute an opinion of Jared Jacobson Law, LLC or any member of the firm on the legal issues herein described. This document contains timely information that may eventually be modified or rendered incorrect by future legislative or judicial developments. It is recommended that readers not rely on this general guide in structuring agreements or analyzing individual transactions but that professional advice be sought in connection with any such transaction.

Attorney Advertising

It is possible that under the laws, rules or regulations of certain jurisdictions, this may be construed as an advertisement or solicitation.