

Dentist Associate Agreement Checklist

You just graduated dental school and are ready to join a preexisting practice. You are given an associate employment agreement. It is long, complex, and overwhelming. You were trained in school to practice dentistry, not review contracts.

Fortunately, you do not have to spend endless hours parsing the agreement word for word. Instead focus on five key areas:

1. Classification:

- ✓ **Are you classified as an employee or independent contractor?**
 - If a W2 employee, then the employer will account for employment taxes.
 - If a 1099 contractor, then you are responsible for your own employment taxes and adhering to other requirements.

2. Compensation:

- ✓ **How is your compensation calculated?**
 - Commissioned based: Collection percentage (32-35% average) vs. production percentage (32% average) vs. net profit (commission minus any other expenses).
 - Draw.
 - Salary + commission (or bonus).
 - Review responsibility of payment of lab fees as it can impact compensation (percentage of lab fees paid by associated can coincide with collection/production percentage or some other percentage as agreed upon by the parties).

3. Malpractice Insurance:

- ✓ **Who provides your malpractice insurance?**
 - Employer.
 - Provided out of your compensation.

4. Future Buy-In & Other Fringe Benefits:

- ✓ **Does the agreement have language about buy-in opportunities or other fringe benefits?**
 - While the parties are unlikely to agree to specific terms, make sure to request a timeline of when the employer/owner will present a buy-in opportunity to you (usually within one to two years).
 - Ensure the agreement speaks to other fringe benefits (PTO, vacation time, payment for continuing education, health insurance, etc.).

5. Non-Solicitation & Non-Competition:

- ✓ **Does the agreement include a non-solicitation clause?**
 - This is for the employer to protect their "asset" of a client base and if you leave, the employer does not want you to take existing clients or employees with you.
 - Ensure that the description of what "solicitation" means in the agreement is explicit.
- ✓ **Does the agreement include a non-compete clause?**
 - Ensure such a clause is ancillary to the offer of employment
 - If the non-compete clause is not ancillary to the offer of employment, independent consideration must be provided (generally a monetary offering).
 - Generally, a 1-year limitation period is considered reasonable, a 2-year limitation period may be reasonable, and a 3-year limitation period will very rarely be reasonable.
 - Geographical restriction must be considered reasonable. If you are joining a multi-location provider, ensure the agreement is explicit from which location the geographical limitation will be enforced (i.e., only enforced from the location where you spend 90% or more of your time rendering services).