

# What to Look for in an Employment Contract

Reading time:

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The age-old handshake agreement, surprisingly, is often still used between a doctor and their workplace. If you do not have a contract and are simply working off a handshake agreement, where does this leave you?

It leaves the worker in a place of vulnerability that is fraught with hazards and not something recommended by medico-legal professionals. Even though contracts are complicated matters, they are a necessity, and it can create more complexity if you find yourself without one.

A written contract of employment creates a legally binding agreement between an employer and an employee that defines the working relationship and its conditions.

If you find yourself starting with a new employer or faced with the prospect of signing a new contract, here are some tips.

## Read the contract

Surprisingly, many people do not read their employment contract. Although it is not the most exciting read, it should be understandable to the layperson. Carve some time out to make sense of your contract. If it remains unclear, highlight the areas that require clarification and be sure to flag them prior to signing.

## Have questions? Ask your employer

If you have questions, start with asking your contacting partner or the other party you're contracting with.

A contract sets the foundation of a professional relationship that one would hope should last for many years. It's pertinent that you can communicate with each other and ironing out the terms of a contract is a good place to start. Finally, if you still have questions, seek legal advice. For people who are not familiar with employment law, it is quite difficult to discern what should be in a contract and what's been left out.

## Key items to look for in an employment contract

### Types of agreements

There are two types of contractual agreements generally seen in medical and dental practice. The first is a service agreement, which is an agreement where a practitioner engages a practice to provide management and administrative support. The second type is a contractual arrangement where the practice engages a practitioner, but as an independent contractor.

### Remuneration

How much are you going to get paid and what are the terms? If you are working at a hospital, you should be covered by an award. Does your contract cover this? Are you checking the pay guide to see that you are getting paid according to scale?

### Clauses that you don't fully understand

A common clause found in a contract is a restraint of trade clause. These are often found in employment or shareholder agreements, with the aim to protect business interests like client information and intellectual property, by restricting what previous employees can do. However, these are difficult to enforce and need to be reasonable. It is up to the party who wants it enforced to prove that there will be detriment to the business, which can be very difficult to prove.

### Fixed or Ongoing contracts

Look at whether it's an ongoing contract or a fixed contract. If it's a fixed contract, has the end date been clearly defined? What are the requirements for ending the contract? Is there a notice period and is it a reasonable notice period? Is it equivalent between the two parties? Circumstances can arise that you can't foresee, where you might have to get out of your employment earlier than you had anticipated. You should always be aware of your rights and obligations to extend or renew a contract.

## Termination

You should also be aware of the reasons why a contract can be terminated. Some service contracts allow termination for any reason with notice, while other contracts can only be terminated early if either party commits a serious breach. Both parties can legally terminate the contract, though it will depend on the terms agreed and written in the contract.

Finally, it's important that there are provisions that are reasonable and something that you can live with. For whatever reason, if you find that the contract that you have signed and have been working under has been completely unreasonable, there is still recourse for an unreasonable contract.

## Contact MIPS

If you find yourself in circumstances where you're questioning where your employment contract leaves you, it is recommended that you contact MIPS for further advice and support.

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