# SAMPLE ADMINISTRATIVE FORM

## PROFESSIONAL ASSOCIATIONLAWYER EMPLOYMENT AGREEMENT

THIS AGREEMENT is made this\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Florida professional service corporation, hereinafter called the "Corporation," and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter called the "Employee."

## W I T N E S S E T H:

In consideration of the covenants herein contained and the monies to be paid hereunder, the Corporation agrees to hire the Employee and the Employee agrees to work for the Corporation upon the following terms and conditions:

1. Duties of Employee: The Employee is hereby employed by the Corporation to provide professional services as a lawyer.

2. Devotion of Full Time to Corporation's Practice: The Employee agrees to devote his/her best efforts and full business time to providing professional services in the practice of law on behalf of the Corporation. In this regard, the Employee shall not practice law except as an employee of the Corporation and shall not engage in any other business or occupation without the consent of the Board of Directors; provided, however, that nothing contained herein shall prohibit the Employee from investing in stocks, bonds, securities, real estate or other passive forms of investment for his/her own benefit or engaging in any other activity that does not materially detract from the fulfillment of his/her obligations hereunder.

3. Salary: The Corporation shall pay to the Employee as compensation for his/her services a salary payable in monthly installments during the term of this Agreement. The salary shall be set periodically by the Board of Directors in accordance with its policies

4. Fringe Benefits: During the term of this Agreement, the Employee shall be entitled to all fringe benefits offered generally to the Corporation's lawyer employees, including participation in any pension, profit sharing, disability, hospitalization/major medical insurance, medical reimbursement or group term life insurance plans established by the Corporation, subject always to the terms, rules and regulations in effect from time to time regarding such plans.

5. Reimbursement of Disallowed Amounts: Any sums paid by the Corporation to or on behalf of the Employee (including compensation, travel and entertainment charges, automobile expenses, medical reimbursement and other fringe benefits) that are subsequently disallowed in whole or in part as a deductible expense for Federal income tax purposes shall be reimbursed by the Employee to the Corporation, to the full extent of the disallowance, within six months after the final determination thereof.

6. Term of Agreement: The effective date of this Agreement shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and it shall continue in full force and effect until terminated as hereinafter provided.

7. Automobile: The Employee is required to provide an automobile for use by him in the conduct of the Corporation's practice as a condition of his/her employment, and he shall pay for all gas, oil, repairs, maintenance, insurance and other expenses connected therewith. The automobile shall be parked near the Corporation's office during the hours that the Corporation's office is open for business.

8. Professional Expenses: Except as herein otherwise provided, the Corporation shall pay, either directly or by reimbursement to the Employee, all reasonable and necessary professional expenses incurred by him in the course of his/her employment by the Corporation. Such expenses shall include but not be limited to:

1. All secretarial and staff support, office supplies and equipment, and space and facilities reasonably required by Employee in the conduct of the Corporation's practice and approved by the Board of Directors.
2. Premiums for professional liability insurance covering the Employee.
3. License fees, membership dues in professional organizations, and subscriptions to professional journals as approved by the Board of Directors.
4. The Employee's reasonable and necessary travel, hotel, living expenses, registration fees and other expenses incurred in connection with seminars, continuing legal education courses, Bar meetings and conventions. The Employee shall be required to present an expense report form together with appropriate bills and receipts in order to obtain direct payment or reimbursement hereunder.
5. The Board of Directors may from time to time establish specific guidelines and may limit the amounts to be paid pursuant to this paragraph 8. Any such limitations shall not, however, limit the Employee's general obligation to represent the Corporation and enhance the Corporation's image in the business and legal community and incurring such other expenses as may be appropriate in order to perform his/her obligations hereunder and his/her responsibility as a lawyer.

9. Entertainment: The Employee shall be expected to entertain, for the benefit of the Corporation and to enhance his/her professional standing in the community as an Employee thereof, clients and prospective clients and referring and potentially referring attorneys and other professionals. Such practice related entertainment hereby is required specifically as a condition of employment. The Corporation may reimburse the Employee, upon the furnishing of proper receipts, for all such reasonable expenses. The Board of Directors may from time to time establish specific guidelines and dollar limitations on the amount of reimbursable entertainment as a matter of firm policy. Any such limitations shall not, however, limit the Employee's general entertainment obligations under this Paragraph 9.

10. Fees:

1. The Board of Directors shall have the exclusive authority to determine the fees (or a procedure for establishing the fees) to be charged clients of the Corporation who are represented by the Employee in the course of his/her employment. All sums paid by any client in the way of fees or otherwise for legal services rendered by the Employee shall belong to the Corporation and shall be included in the Corporation's income. In addition, all income received by the Employee from other sources related to his/her professional efforts (as determined by the Board of Directors) shall be paid over to the Corporation, specifically including, but not by way of limitation, fees for serving as a director, executor, administrator, guardian, conservator, appraiser or trustee; salary as an officer or director of a corporation; royalties from the sale of books and articles involving the practice of law, and honoraria for lectures and teaching. The Corporation shall be entitled to any.
2. No gratuities or gifts of any substantial significance, as determined by the Board of Directors, shall be accepted by the Employee, directly or indirectly, from any client or prospective client, without the consent in advance of the Board of Directors.
3. It is understood that the Corporation will receive customary fees for work performed by Employee on any venture or undertaking in which the Employee has an interest, either directly or indirectly. No fees shall be charged for services rendered for the benefit of the Employee to the extent determined by the Board of Directors from time to time. In addition, the Employee shall be entitled to render services without charge to any client eligible for legal aid under standards established by the Board of Directors. With the consent of the Board of Directors, the Employee may also provide services without charge, or at less than the usual charge, to the organized Bar or any civic, educational, religious or charitable organization or project. Exceptions to the rules set forth in this paragraph 10 may be authorized by the Directors from time to time upon a showing of good cause by the Employee.

11. Clients: The Board of Directors shall have the authority to determine who will be accepted as its clients and to designate (or to establish a procedure for designating) which lawyer employee will represent each client. It is specifically understood that all clients served by the Employee are clients of the Corporation.

12. Professional Policies and Procedures: The Board of Directors shall have the authority to establish from time to time the professional policies and procedures to be followed by the Employee in representing its clients.

13. Client Files: The files and records of all clients served by the Employee within the scope of his/her employment, including all materials related to work product and billing and payment information, shall at all times be the property of the Corporation. In the event of his/her voluntary termination of employment, the Employee agrees to only communicate with the Corporation’s client in compliance with Rule 4-5.8 of the Rules Regulating The Florida Bar. It is further agreed that upon termination of his/her employment, the Employee shall leave all client files and records with the Corporation, and he shall be entitled to a copy of only those documents contained in the file of any client who submits a written request to the Corporation that his/her file be transferred to the Employee. The Corporation, at the discretion of its Board of Directors, may deliver copies or originals of such documents to the Employee, and the cost of any such duplication shall be paid by the Employee. If the Corporation delivers original client materials to the Employee, he agrees to return them for review and duplication by the Corporation upon request, subject to the consent of the client.

14. Vacation and Sick Leave: The Employee shall be entitled to such paid vacation and sick leave during each fiscal year as the Board of Directors shall from time to time establish.

15. Time Off: The Employee shall be entitled to such time off with pay for professional seminars and meetings as is authorized by the Corporation from time to time.

16. Bonuses: To provide greater incentive for the Employee by rewarding him with additional compensation bonuses may be paid to the Employee at any time during the year if he has contributed significantly to the success of the Corporation. Whether or not such bonuses shall be paid and if so, the timing thereof, shall be within the sole discretion of the Board of Directors. The amount of any bonus shall be determined by the Board of Directors and shall reflect fairly the general expressions of the shareholders as a whole as to the value of the Employee's contributions to the Corporation. Prior to the payment of any bonus to the Employee, the Board of Directors shall provide a forum for all of the Corporation's shareholders to express their views on the value of the Employee's services. In making such determination, the shareholders may consider among other things the following:

Ability to attract new clients

Associate supervision

Bar work

Business originated

Client relations and confidence

Community work

Compatibility

Fees billed

Firm administrative work

Legal ability

Overall firm contribution

Pro bono work

Professional work traits

Profitability of billings

Responsibilities assumed

Seniority

17. Termination of Agreement:

1. The Employee or the Corporation, through the action of its shareholders under Section 2.12 of the Corporation's Bylaws, may terminate this Agreement at any time, without cause, provided that the party so electing shall deliver to the other party written notice of such intention not less than ninety days prior to the effective date of termination. The Employee shall, if required by the Corporation's Board of Directors, continue to devote his/her full time to the Corporation's practice and shall fulfill all obligations and responsibilities imposed on him under this Agreement for the duration of said ninety-day period, in which event he shall continue to receive his/her regular salary and the other usual benefits provided by the Corporation.
2. The Corporation, through the action of its shareholders under Section 2.12 of the Corporation's Bylaws, may terminate this Agreement without notice for any of the following reasons:
3. discipline by The Florida Bar at a level at least equal in severity to that of suspension;
4. professional misconduct in violation of the Code of Professional Responsibility;
5. action to the detriment of the professional standing of the firm;
6. insolvency, bankruptcy or the assignment of assets for the benefit of creditors;
7. conviction of a felony;
8. breach of any provision of this Agreement, if the breach continues after its desistance has been demanded by the Board of Directors.
9. The termination of this Agreement, unless replaced by another employment contract, shall constitute termination of Employee's employment with the Corporation, and from the date of such termination the Employee shall be entitled to no further compensation or any other benefits provided by the Corporation except as specifically provided in paragraph 21 hereof.

18. Permanent Disability:

1. If the Employee is permanently unable to fully perform substantially all of his/her duties hereunder--in the judgment of the Corporation's shareholders (not including the disabled shareholder) pursuant to Section 2.12 of the Corporation's Bylaws--by reason of physical, mental or emotional illness or incapacity, the Employee shall be given written notice of termination of employment by the Corporation which termination shall be effective on the earliest of six months after the shareholder action pursuant to Section 2.12 of the Corporation's Bylaws, the date of the Employee's death, or the date the Employee by 30 days' written notice specifies.
2. The Employee shall continue to be entitled to salary and other benefits under this Agreement until the termination date determined under paragraph 18(a).

19. Death Benefit: In the event of the Employee's death during the term of this Agreement, the Corporation shall pay, by reason of his/her death and in consideration of past services rendered to the Corporation hereunder, the sum of \_\_\_\_ to the spouse of the Employee. If the Employee is unmarried on the date of his/her death, the death benefit shall be paid to the personal representative of the Employee's estate. The death benefit shall be payable on or before the expiration of six months following the Employee's death.

20. Retirement:

1. The Employee may retire as of the end of the Corporation's fiscal year immediately following his/her attainment of age sixty, or at any time thereafter. Written notice of the Employee's intention to retire shall be delivered to a member of the Corporation's Board of Directors at least six months prior to the desired effective date thereof. The Employee agrees to defer the effective date of his/her retirement for a period of up to twelve months, if requested by the Board of Directors and so long as he is physically capable of carrying out his/her duties hereunder.
2. The Employee agrees to voluntarily retire, in accordance with the provisions of this Agreement, at the end of the Corporation's fiscal year during which he attains age seventy or such later age as the Corporation may determine.
3. The Employee may make such arrangements for gradual retirement, to be carried out over a period of up to ten years beginning no sooner than age 55, as may be agreed between the Employee and the Board of Directors and approved by the shareholders pursuant to Section 2.12 of the Corporation's Bylaws.
4. Upon his/her retirement the Employee shall receive no additional remuneration for past or current services. At the discretion of the Board of Directors, the Corporation may provide the Employee after his/her retirement with an office and secretary and such other support staff and assistance as he may require. The Employee agrees to serve as a consultant to the Corporation as needed and when convenient to him.

21. Termination Bonus: If an Employee's employment terminates by reason of death, disability, retirement or termination by the Corporation other than under Section 17(b) hereof, the Corporation shall pay to such Employee in consideration of his/her prior services to the Corporation a termination bonus equal to 100% of such Employee's share of the aggregate retained earnings for all completed fiscal years of the Corporation during which such Employee was a Shareholder prior to the date of termination. If an Employee's employment terminates for any other reason, the Corporation shall pay to such Employee in consideration of his/her prior services to the Corporation a termination bonus equal to 50% of such Employee's share of the aggregate retained earnings for all completed fiscal years of the Corporation during which such Employee was a Shareholder prior to the termination date. Each Employee's share of the retained earnings of the Corporation shall be equal to the excess if any of the total of such Employee's share of the increase in retained earnings (net of taxes and dividends declared by the Board of Directors) of the Corporation for each fiscal year in which the Corporation had such an increase in retained earnings and such Employee was a Shareholder over the total of such Employee's share of any decrease in retained earnings (whether such decrease is a result of losses, taxes or dividends declared by the Board of Directors) of the Corporation for each fiscal year in which the Corporation experienced such a decrease in retained earnings and such Employee was a Shareholder. Promptly after each fiscal year of the Corporation, the Board of Directors shall determine each Employee's share of such increase or decrease in retained earnings for such fiscal year in the same manner it determines bonuses for Employees who are Shareholders. The Board of Directors shall report the determination thereof and the cumulative effect of such determination on all prior determinations to the Employee no later than three months following the end of each fiscal year. In the event the Corporation's increase or decrease in retained earnings for any fiscal year is adjusted after the Board of Director's initial determination of any Employee's share and before payment thereof, the Board of Directors may redetermine such Employee's share of the increase or decrease in retained earnings for the fiscal year of the adjustment in a reasonable manner to take into account such adjustment. The Board of Directors shall maintain a record of the allocations under this paragraph for purposes of determining each Employee's right to a termination bonus. The termination bonus shall be paid in cash or such other manner as mutually agreed upon between the Corporation and the Employee. The payment shall be made during the year of termination provided that the total payments required to be made in respect of the termination of all Employees who are Shareholders during any fiscal year shall not exceed in the aggregate an amount equal to 10% of the Corporation's income before tax for the fiscal year immediately preceding that in which the payments are required to be made plus 10% of all compensation paid to all Employees who are Shareholders by the Corporation during the fiscal year immediately preceding that in which the payments are required to be made. If, as a result of the foregoing limitation, payments cannot be made in full as provided, then all payments required shall be reduced proportionately and the term during which such payments are to be made shall be thereby extended until such time as the total amount owing has been paid.

22. Temporary Incapacity or Leave of Absence: In the event of any illness or incapacity of the Employee which appears to be temporary, or upon a request by the Employee for a short-term leave of absence not exceeding two years, the Corporation, at the discretion of the Board of Directors, may make any arrangement with the Employee concerning continuing compensation that it deems fair and equitable under the circumstances, taking into account any payments received by Employee from disability insurance policies maintained by the Corporation and any outside income earned by the Employee during such leave of absence.

23. Temporary Withdrawal: If the Employee desires to suspend his/her employment with the corporation for a period exceeding two years, he shall make a written request for approval of same to the Board of Directors, which shall then present the proposal to the shareholders for a decision by them in accordance with Section of the Corporation's Bylaws. Such withdrawal shall be for a specified period of time and shall be under the terms and conditions established by the shareholders. Upon the expiration of such period of withdrawal, unless extended by the shareholders, the Employee shall resume his/her employment with the Corporation, and in the event of his/her failure to do so he shall be considered as having voluntarily terminated his/her employment with the Corporation under paragraph 17(a) as of the date of commencement of the withdrawal period.

24. Use of Employee's Name: Subject to the limitations set forth in the Rules Regulating The Florida Bar, the Corporation shall have the right to include the surname of the Employee in its name subsequent to the Employee's death, permanent disability or retirement, without being liable for payment to Employee or his/her beneficiaries or estate in connection therewith.

25. Limitations on Authority: Without the consent of the Board of Directors of the Corporation, the Employee shall have no apparent or implied authority to:

1. pledge the credit of the Corporation or any of its other Employees;
2. bind the Corporation under any contract, agreement, note, mortgage or other obligation;
3. release or discharge any debt due the Corporation, except in the ordinary course of the practice, unless the Corporation has received the full amount thereof.

26. Continuing Liability for Payments

1. In the event of the termination of employment of Employee in any manner other than by death, permanent disability or retirement, the Employee, unless relieved of this obligation by action of the Corporation's shareholders, shall cause any "successor firm" in which he is a member to be responsible for his/her allocable share of each monthly payment due (if applicable) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. Execution of this Agreement acknowledges assumption of the liabilities under the Agreement as if Employee had been an original signatory to the agreement.
3. Nothing contained herein shall be construed to give any person other than the Corporation any rights with regard to the liabilities and responsibilities assumed by the Employee or the Successor Firm as provided in this paragraph.

27. Attorneys' Fees: The prevailing party in any litigation arising out of this Employment Agreement shall be entitled to recover from the other party reasonable costs incurred and reasonable attorneys' fees paid.

28. Invalid Provision: The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

29. Amendment: No change or modification of this Agreement shall be made unless the same be in writing and signed by the parties hereto.

30. Applicable Law and Binding Effect: This Agreement shall be construed and regulated under the laws of the State of Florida, and shall inure to the benefit of and be binding upon the parties hereto and their heirs, personal representatives, successors and assigns.

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 EMPLOYEE

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 FOR THE CORPORATION