



## TOP 10 QUESTIONS FOR THE DENTAL ASSOCIATE TO ASK BEFORE SIGNING THE ASSOCIATE AGREEMENT

- 1. Compensation.** What is the deal? Based on collections? Bonus? Annual increase? Guaranteed minimum salary? How are “collections” defined? How are lab costs handled?
- 2. Status.** Employee (W2) or independent contractor (1099)? Do you understand the difference? If the latter, consult CPA for tax planning.
- 3. Schedule.** Minimum days per week? Will you have a say in the schedule? On-call coverage?
- 4. Full Time/Part Time.** Moonlighting and other non-competitive part-time positions acceptable?
- 5. Benefits.** Who pays for malpractice insurance? Requirement to buy a tail? Will the employer reimburse the employee for dues, licenses or continuing-education classes? Do you understand the vacation/leave policy?
- 6. Term.** How will the agreement be terminated? Early terminations permitted? If you fail to provide adequate prior notice, is there a penalty? What happens if you want to buy a practice during the term? Upon a breach, will you have the opportunity to cure the breach?
- 7. Non-Competition.** Is the geographic area too broad? Look at a map! The day after your employment relationship ends, where will you go? Is the duration too long (more than ~12-18 months)? Is there a grace period (e.g., if the employment agreement is terminated during an initial honeymoon, the non-compete would not be applicable). If the employer has multiple locations, are the areas surrounding all locations covered? Are there fixed penalties upon a breach?
- 8. Non-Solicitation.** Following employment term, are general (non-targeted) solicitations permitted? Are ALL patients/referral sources covered—or only active patients and parties with whom you had a relationship while employed. Is the duration too long (more than ~12-18 months)?
- 9. Indemnification.** Are you required to indemnify the employer? Try to avoid these provisions.
- 10. Ownership.** Will you have the opportunity to be a partner? When and how will the price be determined? Payment terms?

You may wonder why you would want to talk with a lawyer about your career at this early stage. Excellent question. While the legal issues a new graduate needs to consider are typically very different than those faced by a dentist in mid-career who is buying or selling a practice or a dentist who is considering retirement, there are legal issues to recognize nevertheless. This is particularly true with respect to associate agreements. Here are ten questions for you to ask before signing the dental associate agreement.

*For more information, contact Phil Bogart at [pbogart@wtplaw.com](mailto:pbogart@wtplaw.com) or 410.347.8710. Phil represents dentists in business transactions and situations encountered during the life of their practices. Services include structuring/documenting employee arrangements, partnerships, acquisitions and other exit strategies. Please note, the above list should not be considered legal advice and does not create a client-lawyer relationship.*

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