# How to Prepare Before Signing an Employment Contract



*10 important steps to take before signing any employment contract*

Before agreeing to accept a new position or a change of employment, there are a lot of details to confirm and/or negotiate. Signing any contract is daunting, but if you are in a position to need or really want the job, you may feel pressured to sign the contract before clarifying the details. Don't! You should always take the time to understand what you are signing before you sign any contract.

### Steps to Take When Preparing to Sign an Employment Contract

It is important to understand that an employment contract is not one-sided. In Canada, the contract must offer due consideration to both parties. The contract can also not offer less of anything than the ESA (Employment Standards Act) and the standards in your jurisdiction. You cannot sign away your legally protected rights in a contract. A contract should offer protections and meet the needs of both parties.

### 10 steps to take before accepting a job offer:

1) ***Request a written offer before accepting a verbal offer.*** If the employer does not provide one ask or send an email outlining your understanding of the details and ask for confirmation.

2) ***Understand the employment standards in your jurisdiction and your rights***. Know the legal entitlements and verify the minimum standards are being met (read more here, Employment Legislation and Standards).

3) ***Request accommodation if required***. If you require accommodation to understand the contract, as a result of disability or language barriers or other factors, you are entitled to receive alternate format or have someone sit and review the contact (note this is not your time to negotiate).

4) ***Read and review all of the details***.

5) ***Identify your questions***.  Make a written list of your questions. There are generally two types of questions:

- ***Clarity:*** information you do not understand, was not part of your initial discussions, details that are not clear, references information you do not have

available (such as a list of company policies) and/or contradict what you may have understood previously.
- ***Changes:*** changing, removing or adding details

6) ***Ask clarifying questions***. Ask the person who provided you with the contract.  Have these answered before you move to negotiation.

7) ***Before negotiating, know your bottom lines***: You cannot enter into a negotiation if you do not now what you need and want.

8) ***Ask to negotiate***. You may be able to negotiate almost anything not only salary including:

- ***terms of the job*** such as starting date, location of work, vacation allotment and performance and production standards such as quotas and job duties.
- Add, remove or change ***restrictive covenants post-employment*** (such as non-competition).
- Alter ***terms of severance*** including length of notice and severance pay

9) ***Obtain legal council***: Most employees will not take this step but depending on the details of the contract it may be wise.

10) ***Thoroughly review the amended contract***: ensure that the changes you requested are included.

## Some points to consider:

1) Many ***details of the contract can be amended***: Start dates, hours of work including total hours per week and the schedule of hours. It may be more attractive to negotiate preferred hours or even fewer hours over an increase in salary. Stop and really consider what details have more value to you as you examine the entire contract.

2) ***Carefully review*** the terms of severance and restrictive covenants as these are often among the most contentious at the end of the employment relationship.

- Non-complete and Exclusivity: According to a recent survey in Ontario 50% of working Canadians are engaged in precarious work including having multiple employers. It may be important to really examine the non-complete and exclusivity aspects of any contract. You may find yourself working for more than one employer at the same time and you do not want to be in breach of contract.
- Intellectual property rights: Ensure that any rights you sign away relate only to work you create in the context and during your work.
- Severance: No one likes to discuss the ‘divorce’ before the wedding but now may be the time to negotiate a reasonable severance should the working relationship end.

3) Consider ***what may be missing*** in the contract. Were you anticipating the employer to provide you with an annual raise or at least a yearly salary review, a car allowance, performance bonuses, to cover the costs of professional memberships, a gym membership, education and training allowance, a smartphone, pay for your home internet? If it is not in the contract it may not be on the table

Begin your new employment relationship on the right foot by treating the process of reviewing and signing a contract friendly but professional.

**Resources:**

**The Basic Employment Agreement**

**Sample Employment Agreement**