



**GUIDELINES: STUDENT/NEW GRADUATE EMPLOYMENT AGREEMENTS HOD G06-08-08-09** [Amend HOD G06-92-14-28] [Previously titled: Guidelines: Student and Employer Contracts] [Guideline]

These guidelines are designed to assist the student/new graduate in negotiating appropriate agreements that provide financial assistance in exchange for a promise of future employment.

1. A student's/new graduate's interests are best served by obtaining appropriate counsel prior to signing any agreement.
2. Any employment agreement should include and set forth in clear language:
  - A) A statement that the agreement must not interfere with the process and planning of the student's education.
  - B) Fair and reasonable terms for any repayment provisions to the employer of the student's/new graduate's education expenses.
  - C) Specific conditions under which the student/new graduate may choose to leave employment without penalty (eg, change of ownership).
  - D) Specific conditions under which repayment of part or all of the education-related expenses may be required (eg, personal choice).
  - E) A statement that if the student's/new graduate's employment is terminated by the employer, repayment of any employer-incurred education-related expenses should not be required unless the termination is for cause (eg, poor performance).
  - F) Reasonable restrictions in duration and geographic extent of any non-compete clause, if one is incorporated in the agreement.
3. The student's/new graduate's interests also are best served by:
  - A) Obtaining full disclosure of ownership of the practice.
  - B) Determining whether the practice is involved in any situation in which a referring practitioner can profit as a result of referring patients/clients for physical therapy.
  - C) Reviewing the American Physical Therapy Association policies on opposition to referral for profit (Ethical and Legal Considerations for Clinical Education, Financial Considerations in Practice, Opposition to Physician Ownership of Physical Therapy Services, and Referral Relationships).
  - D) Understanding that the student's/new graduate's educational program is not a party to the said agreement and is not bound by the terms of the agreement.
  - E) Understanding potential tax obligations for deferred income that may be incurred upon graduation or during employment as a result of the employer carrying out its obligation under the agreement.
  - F) Discussing the employer's policies regarding access to mentoring and regular collegial relationships and resources for professional growth and development.
  - G) Reviewing other applicable Association documents including American Physical Therapy Association Considerations for Practice Opportunities and Professional Development.

[Document updated: 12/14/2009]

**Explanation of Reference Numbers:**

BOD P00-00-00-00 stands for Board of Directors/month/year/page/vote in the Board of Directors Minutes; the "P" indicates that it is a position (see below). For example, BOD P11-97-06-18 means that this position can be found in the November 1997 Board of Directors minutes on Page 6 and that it was Vote 18.

P: Position | S: Standard | G: Guideline | Y: Policy | R: Procedure