Employment Contracts and Separation Agreements

New Jersey Employment Contracts Attorneys

An Employment Contract is an agreement between parties (employer and employee) that specifies the parties' rights, duties and obligations. It provides a level of assurance the parties will act in accordance with the terms of the agreement. In New Jersey, as in most states, the foundation of the employer-employee relationship is the "employment at will" doctrine. This states that an employer is free to terminate an employee for any reason or no reason at all. The employer has this right as long as the employer doesn't violate the employee's rights by discriminating against the employee based on:

- Race;
- Sex;
- Age;
- National/origin;
- Religion;
- Disability; and
- their protected criteria.

An employment contract can be written or "implied." A written agreement is usually signed and agreed to by employer and employee. It can be a standard form that all employees sign or can be unique to the individual. An "implied" agreement can be verbal or can be expressed through actions, handbooks, or accepted policies or procedures. Employment contracts can limit the employer's ability to fire "at will." Or a contract can limit how employees can use their employer's proprietary or confidential information and can constrain the employee from competing with the employer.

These contracts can also be used to specify the terms and conditions of:

- Health benefits;
- Vacations;
- The complaint process;
- Separation and severance terms; and

- Other rules and regulations governing what behaviors are expected.

Employers are not obliged to enter into an employment contract with every employee. Those considering an employment contract for their employees should consult with an attorney to ensure that the stated or implied conditions of employment do not violate the employees' rights under federal or state law.

An employment law attorney can also discuss with you the benefits and disadvantages of an employment contract and the circumstances under which a contract is beneficial. For employees who have been asked to sign such a contract, understanding your rights is an important step in laying the foundation for a positive relationship with management.

Non-disparagement Agreements

This type of employer-employee agreement is created to prevent employees from expressing negative comments about the employer. Employers have a vested interest in protecting their reputation in the marketplace and to protect against damage to their reputation by disgruntled employees. Non-disparagement agreements are often a part of a severance agreement or settlement agreement and many specify that the employee is paid a sum of money in return for their silence. Although sometimes difficult to obtain, employees are also entitled to protection from negative, derogatory or untrue statements made about them by their employer or former employer.

Non-solicitation Agreements

Employers may also seek to restrict a former employee from soliciting business from employees or from customers of the business. If an employee leaves the company, the employer risks losing additional employees or customers if they "follow" that employee to another company. This situation is common in companies with sales organizations or in professional services.

Contact a New Jersey Employment Lawyer for Help with All of Your Contracts

Given the complexities Employment Contracts in New Jersey, we advise you to contact one of our experienced contracts lawyers or closely-held business group attorneys at 973-627-7300 at Einhorn Barbarito today. We handle employment and contracts issues throughout New Jersey.