



Guidelines for the Successful Employment of New Veterinary Graduates



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Table of Contents

1. Purpose of the Guidelines.....	1
2. Strengths and Weaknesses of New Graduates	2
3. Responsibilities of Associates and Employers.....	4
– Responsibilities of the Associate	4
– Responsibilities of the Employer.....	5
4. Supervision and Case Management.....	7
5. Interaction with Staff.....	9
6. Compensation.....	11
– Method of Compensation	11
– Remuneration	12
7. Hours of Work.....	15
– Regular Hours	15
– Allocation of After Hour and On Call Duties	18
– Payment for After Hour Calls.....	19
8. Days of Work.....	21
– Statutory Holidays.....	21
– Vacation.....	21
– Sick Leave and Other Absences	22
– Maternity/Paternity Leave	23
9. Professional Benefits.....	24
– Continuing Education.....	24
– Malpractice Insurance	25
– Licensing Fees.....	26
– Other Professional Fees.....	27
10. Vehicle Benefits.....	28
11. Other Benefits.....	30
– Medical/Dental Plans.....	30
– Disability Insurance.....	30
– Pension	31
– Clothing Allowance	31
– Workers Compensation.....	32

12. Benefits for Part-time Employees
and Self-employed Veterinarians33
– Part-time Employees33
– Self-employed Veterinarians.....33

13. Non-competition Agreements35

14. Performance and Salary Reviews36

15. Termination of Employment38
– Employer Terminates Employment38
– Employee Terminates Employment39

16. Animals Belonging to Employees40

17. Community/Volunteer Activities42

18. Practice Philosophy and Policies43

19. Employment and Associate Agreements44

Appendix A - Sample Employment Agreement47

1. Purpose of the Guidelines

These guidelines are intended to summarize current employment conditions for newly graduated veterinarians working in Canadian veterinary practices. The guidelines were assembled in consultation with practice associates, practice owners, and veterinary students across Canada.

The purpose of the guidelines is to offer a framework of discussion for practice owners and for veterinarians seeking employment. It is not the intention of the CVMA to set up uniform standards for practice owners or for their associates. It is unreasonable to expect any given recommendation to apply to every veterinary practice in Canada, considering the wide variations that exist in practice philosophy, personal expectations and preferences, practice location, and economic conditions.

Although the guidelines are primarily intended to apply to newly graduated associates and their employers, some of the information may also be applicable to more experienced associates. It should be noted, however, that working conditions (particularly remuneration and benefits) may be significantly different for experienced associates, in comparison to newly graduated veterinarians.

2. Strengths and Weaknesses of New Graduates

New graduates have much to offer a veterinary practice. They are enthusiastic about veterinary medicine, and most are eager to learn in a practical setting after long years of university education. They bring new ideas and a fresh point of view to the practice. From their experience at veterinary school, external rotations, and summer employment, they have acquired information on diagnostic tests and treatment protocols that may be new to the established practitioner. They can, therefore, teach as well as learn, and their inquisitiveness can help established practitioners re-examine their justifications for their own treatments. Most new graduates have not yet developed bad practice habits and their standards are high; their physical examinations are usually thorough and their record-keeping skills are excellent. They are motivated to work hard and most are flexible and willing to adopt the practical attitudes that are necessary for successful practice. From the practice owner's viewpoint, the graduate has the potential to become a valued long-term employee, and a possible future partner.

New graduates also have several weaknesses which must be taken into consideration by their employers. Their chief weakness is inexperience, not only in surgery and medicine, but also in business, communication, and case management. Technical skills, especially surgical techniques, require practice for speed and expertise to develop.

Although students have a wealth of academic knowledge, some have difficulty in applying knowledge to every day situations. It may be difficult for an idealistic new graduate to adjust to the change from a teaching hospital to the reality of private practice, including the cost limitations imposed by clients. Most have little past exposure to the importance of marketing and relaying the value of their services to clients. Many new graduates lack confidence in their abilities and have difficulty making

decisions and making recommendations to clients. Others may have a tendency to work up simple cases excessively, despite the fact that more practical methods may produce similar results. Some may find the challenge of a new career (particularly one as stressful as veterinary practice) almost overwhelming at first.

It is a common belief that the average new graduate is unlikely to generate adequate revenue to offset the cost of their employment (salary and benefits) for at least the first 6 months of practice. Most employers are willing to work through this initial period provided the new employee shows a high level of commitment to the practice.

3. Responsibilities of Associates and Employers

The relationship between a practice owner and an associate veterinarian is a complex one, with significant responsibilities on both sides. Some of these responsibilities can be outlined in an employment agreement, which is signed before the employment begins (see section 19). Other issues, such as care of the employee's animals, are not normally outlined in a employment agreement but should be discussed and agreed upon in advance. Once the issues are outlined in an employment agreement, they are not re-negotiated until the agreement expires, except with the consent of both parties (or as outlined in the agreement).

Underlying all of these issues, however, are a basic set of expectations for each party in the employer-employee relationship:

Responsibilities of the Associate

Before seeking employment in private practice, the new graduate must realistically assess his or her career needs and interests, and consider whether this type of career is likely to produce adequate job satisfaction. The associate veterinarian should endeavor to commit to their first job for at least 12 months unless unforeseen circumstances arise or the employment conditions are untenable.

The associate is expected to behave in an ethical and professional manner towards colleagues, staff, clients, and patients. This includes not only knowledge and skill, but politeness, honesty, loyalty, adaptability, courtesy, and compassion. The associate will not automatically command respect from clients and clinic staff, but must earn it by presenting a professional image, and exhibiting professional behaviour as well as competence.

The associate should be willing to work under the conditions agreed upon in the employment agreement (verbal or, preferably, written) including hours and compensation.

The associate is expected to be punctual and present a neat and professional appearance.

The associate is expected to bring new knowledge into the practice and to share it with others.

The associate should also feel comfortable in asking for support when required. He or she should be prepared to learn and improve in those areas where experience and competence are lacking, and should be aware that this may require work outside of normal clinic hours.

The associate is expected to adapt to the practice philosophy and protocols and orient him- or herself to current practice goals, including profitability of the practice. The new graduate must realize that the practice owner has spent considerable money, time, and effort, in establishing a practice that provides employment for the associate and others.

The associate is expected to communicate his or her concerns to the managing veterinarian or practice owner, either on an informal basis or as part of a scheduled performance review.

The associate is expected to treat all patient records and financial information as confidential, unless a legal or moral requirement for reporting exists (as in the case of reportable disease or animal abuse). Clients or patients should not be the subject of discussion outside of the practice. Records, radiographs, and client lists are the property of the practice and their removal without the employer's permission is unethical and illegal.

Responsibilities of the Employer

The practice owner must thoughtfully ascertain whether or not the practice has the resources to appropriately support a new graduate, and whether the veterinarians in the practice have the desire to expend the time and effort necessary to continue the training of a new graduate. The employer must also ensure that the practice can offer a sufficient workload for the new graduate.

The practice owner has an obligation to provide a safe work-place and to provide all employees with the necessary tools, uniforms, and equipment, for performing the job. (Associates may wish to provide their own stethoscope and similar items in the interest of comfort and hygiene).

The practice owner must comply with the conditions specified by the employment agreement (verbal or, preferably, written) including hours of work and compensation.

The practice owner should exhibit ethical and professional behaviour towards their associate. Associates are colleagues as well as employees, and should be treated with respect and fairness.

The practice owner is expected to provide advice and supervision to their associates. They are encouraged to share their knowledge and experience, and also to be willing to listen to, and learn from, the new associate. The practice owner should offer the new associate the opportunity to expand their abilities by taking on challenging cases, and to develop new skills with appropriate encouragement and supervision.

The practice owner is expected to communicate their concerns to the associate. This can be done on an informal basis, or as part of a scheduled performance review (see section 14).

4. Supervision and Case Management

Although a licensed veterinarian is legally permitted to practice without supervision immediately following graduation, most newly graduated associates benefit from supervision and assistance from a more experienced practitioner during the initial months of employment. Although there is some variation in the need for support depending upon the background, experience, and abilities of the new graduate, it is advisable that another veterinarian be available for consultation during the first few months of employment. The experienced veterinarian may need to be physically present in the clinic, or available by telephone, or simply provide feedback on a regular basis, depending on the circumstances.

As both the associate and supervising veterinarian gain confidence and become comfortable with the new associate's role, the associate is encouraged to undertake a greater variety of tasks with less supervision. Ideally, the new associate should have the support that he or she feels is necessary, and the supervisor should feel comfortable with the level of independence that the new associate is given. After the initial training period, most associates do best if they are given a reasonable degree of independence. Each veterinarian practices medicine a little differently, and the new graduate needs freedom and support to define their style. The practice owner can encourage and support this growth, for example, by asking what drugs the new associate prefers to use that the practice doesn't currently stock.

Provision must be made for the new graduate to learn new procedures (for example, orthopedic surgeries). Ideally, the new graduate needs to know that it is acceptable for him or her not to be technically competent at all skills immediately after graduation, and that the practice has a responsibility to nurture their skills. The new graduate must be open and honest with regard to their limitations in skill, knowledge, and experience. The supervising

veterinarian must ensure that the new associate is not rushed or unduly pressured when they work on their own, and that ample technical support is available. The new graduate should not be pushed to stretch the limits of patient safety. On the other hand, if the new graduate always stays in their total comfort zone, he or she will not progress.

Performance reviews, “rounds” for case discussion, and informal feedback sessions are helpful to both the supervisor and the new associate. Even seasoned practitioners appreciate the opportunity to discuss interesting cases with other veterinarians, and welcome the input that they provide. Feedback should also extend to workplace concerns. If the supervisor is accessible and non-judgmental, the associate will feel more comfortable approaching him or her with concerns. A new associate should be able to voice an opinion without worrying excessively about the response of the practice management.

It is easy for a new associate to become discouraged when clients ask to see the veterinarian with whom they are most familiar. However, this is a normal part of practice and should be viewed with patience. In time, the new associate will be the “preferred choice” of some clients.

5. Interaction with Staff

When a new associate joins the practice, he or she must develop a cordial relationship with the practice staff. Generally, the new associate wishes to be liked, respected, and trusted by the staff members, and the staff members want the same from the new veterinarian. Establishing this relationship is not always an easy process.

The new associate who is eager to introduce new methods to the practice may find that the technicians and other staff are initially unenthusiastic in following his or her instructions, particularly if they differ from established procedures at the practice. To the staff members, the new graduate may appear overbearing and unaware that the staff may be more technically competent at certain procedures than the new graduate (positioning for x-rays, drawing blood samples, placing IV catheters, etc.) Disputes can arise which lead to bad feelings and inefficient patient care. Occasionally, a new associate may try too hard to befriend staff members, leading to problems in discipline and possible favoritism.

Problems of this nature can be largely avoided by preparing both the new associate and the staff ahead of time. It is helpful if the practice owner and other veterinarians inform the staff in advance that a new associate is coming, and encourage the staff to support the new associate and be open-minded in evaluating the changes in procedures that the new associate suggests. Staff members are influenced by the practice owner's attitude; if the owner supports a new associate who is doing a procedure in a different way, the staff is also likely to be supportive. Staff members with particular expertise in skills such as endotracheal intubation and venipuncture should be encouraged to work with the new graduate to help them improve their skills in these areas.

On the other hand, the new associate must recognize that he or she needs the support of the staff. Before suggesting radical changes, the associate should take time to study the dynamics of the practice and the job each staff member does. It is usually most effective to start by asking questions on how things are usually

done, and then to suggest that a procedure may be done in a different way. Suggestions for change should be made with sensitivity and diplomacy. Major changes should be discussed with the practice owner prior to involving staff.

If problems with authority arise, the practice owner must address them. Job descriptions and expectations must be clearly outlined and the focus placed on a team approach; each person should use their skills cooperatively to ensure the best outcome for the patient and the practice. The new graduate should be willing to fit into the needs of the practice, and bear in mind that veterinarians may on occasion be called upon to assist the support staff in routine tasks (for example, clean a kennel, mop up a spill, or walk a dog).

Although personality conflicts may arise, most disagreements can be resolved provided that communication is encouraged, and both parties are willing to be flexible and respectful of the other's viewpoint.

6. Compensation

Method of Compensation

Veterinary associates who are full-time employees can be paid in one of three ways:

1. Straight salary
2. Base salary plus a percentage of their gross earnings or billings, often paid as a quarterly bonus
3. Income based solely on a percentage of the associate's gross. The percentage chosen varies between 20% and 25% for small animal practice, and may be higher for large animal practice. The gross in this case is usually the fee billings of the associate (not including taxes). Some practices adjust the gross to reflect what was actually paid, rather than the amount billed. Certain income sources may be excluded such as repeat retail sales, large animal drug sales, and boarding charges, but in this case, the percentage paid is usually adjusted upwards.

It is customary for new graduates to be paid a straight salary in their first year of employment, rather than being paid on a percentage basis. Payment on the basis of production is more common for associates with 1 or more years of experience. Payment on the basis of production is difficult to justify for new graduates because the veterinarian is not fully trained (therefore not all of their working time is productive) and the client load is often light (as the associate is new to the practice). The result is that the associate's need for an adequate income may initially exceed their productivity. Another problem associated with payment on the basis of production is the potential for competition between veterinarians to handle cases that are likely to generate significant income.

However, some practices choose to compensate associate veterinarians partially or solely on the basis of production. Recent surveys of associate incomes indicate that persons compensated on the basis of production have higher incomes on average than those on straight

salary. Whichever method is chosen, it is important that all parties concerned have a clear understanding of what services are included (for example, sales of pet food and other low markup items may not be included in the gross) and whether the associate is required to perform activities that do not generate revenue, such as practice management or marketing.

Some practices pay straight salary but tie bonuses or increases in compensation to the amount of revenue generated by the practice. The practice may set up a bonus scheme such that if a financial target is achieved after one year, associate veterinarians receive a bonus of 5 to 10% of their wage.

Regardless of the method of payment, it is customary to pay the associate's salary every 2 weeks or semimonthly. Some practices pay monthly and give an advance on the 15th of the month, equal to approximately half of the monthly salary. With this method, the employee is paid twice monthly but taxes, Canada Pension Plan, employment insurance, and other deductions need only be calculated once monthly.

Remuneration

Few issues are as potentially contentious as remuneration. Many factors must be considered before agreement on remuneration can be reached, including the following:

- *Geographical location of the practice.* Higher remuneration is justified in areas with a higher cost of living (for example, large urban centers).
- *Number of hours of work required.* Associates who work more hours than average should be paid accordingly.
- *On call duties* (See Section 7)
- *Special qualifications of the employee.* Associates that have obtained special training (for example an internship) may be offered a wage that is higher than the average.

- *responsibilities of the associate.* Associates who perform managerial functions may be compensated with higher salaries.
- *length of time with the practice.* It is reasonable for compensation to increase after one year of employment (see Section 14 for information on salary review).
- *benefits offered by the practice.* Some practice owners offer higher salaries with few benefits, whereas other practice owners offer lower salaries but more generous benefits. A position that offers a salary of \$45,000 with minimal benefits may be equivalent to a position that offers a salary of \$40,000 plus continuing education, payment of licensing fees, a medical/dental plan, or other significant benefits.

One advantage of the high salary/few benefits option is that it allows the associate to choose the benefits he or she wishes to have. This may be advantageous if, for example, the employee is already covered by their spouse's medical or dental plan.

There are several taxation issues that can arise, depending upon the method of compensation. Three examples are given below.

1. Employees working in practices that offer comprehensive benefits may be required to pay tax on some benefits. If the practice pays for benefits such as licensing fees and continuing education, the practice can claim these expenses as deductions from its taxable income. The employee, on the other hand, may be required to declare some benefits as income, subject to income tax. These benefits are termed "taxable benefits".
2. Employees that pay for their own benefits may not be able to claim all benefits as deductible expenses. The employee in this case may be paying for his or her own license, continuing education benefits, and other expenses. The licensing fee can be claimed as a deductible expense, but the employee should seek an accountant's advice as to whether the other expenses can be claimed.

3. The practice owner usually provides few or no benefits for self-employed veterinarians. Self-employed veterinarians normally pay for their own business-related expenses, which can then be claimed for income tax purposes.

It is advisable that the new graduate discuss these and other taxation issues with an accountant (as they pertain to the job that has been offered) before signing an employment agreement.

When a salary figure is offered, it is helpful to inform the prospective associate what the approximate take home pay will be after income tax, employment insurance, Canada Pension Plan, and other deductions.

7. Hours of Work

Regular Hours

The issue of working hours should be carefully discussed by the practice owner and the prospective associate before hiring. This area is prone to misunderstandings which can ultimately lead to disagreement and disillusionment for both parties.

Provincial standards of employment generally define a normal working day as 8 hours (not including a lunch break) and a normal week as 40 to 44 hours. However, most provincial employment standards exclude veterinarians and other professionals from overtime provisions. (Depending on the province, veterinarians and other professionals may also be exempt from provisions for hours of work, statutory holidays and paid vacation). The rationale is that these professionals are in a vocation that goes beyond any notion of a “regular work day.” It is inappropriate for associate veterinarians to keep close track of extra hours in expectation of exact payment, just as it is inappropriate for a practice owner to make note of the exact time when an associate leaves the hospital at the end of the day. The new associate needs to recognize that veterinary practice is not a profession for a person who desires a “9 to 5” job, and the practice owner needs to recognize that the associate has a right to adequate leisure time.

An attempt should be made to provide some structure to the associate’s work week, and at the same time allow for catch up time and adequate time off. This may mean, for example, that the associate is scheduled for 30 hours of appointments and surgery per week, recognizing that the work week will quickly rise to 40 hours or more when phone calls, discharges, and treatments are added in, and even higher if on call duties are expected. If at all possible, the associate should not routinely work more than 10 hours per day, especially if on call after hours. Because of the seasonal nature of veterinary practice, however, it is inevitable

that longer hours may be required at peak periods. It should also be recognized that it may be necessary for the associate to work occasional extra hours in order to learn new skills. New associates should be willing to come in early or stay after hours if another veterinarian is willing to demonstrate complex surgeries or medical procedures at that time.

Some employers may require the employee to work a split shift (for example, 4 hours in the morning and 4 hours in the late afternoon). If so, this expectation should be made clear before employment commences. Although split shifts may be convenient for the practice, they are difficult for most employees to work. There is a tendency for employees to stay at the clinic between shifts to make phone calls and care for hospitalized patients, the end result being that the employee actually works a 12 hour day. As with other issues, it is important that both the practice owner and associate be as honest and as flexible as possible with regards to their expectations.

It is important that new associates realize that it is not possible to guarantee a regular lunch break each day. Most practices attempt to avoid booking appointments during the lunch break, but it is impossible to control what comes through the door at 15 minutes before noon. The realities of patient care demand that lunch be postponed or even missed on busy days, but also that a longer lunch break may be available on a slow day.

Employees who routinely work longer than 5 hours without a break, or routinely work long after regular hours, may have difficulty in continuing to function in a pleasant and efficient manner. It is important that the supervisor monitor the workload and schedule of the employee and ensure that the employee is not overloaded. If the new associate is routinely working through their lunch break or after hours, it may be advisable to re-examine the scheduling procedures or the way in which the associate is organizing his or her time. On the other hand, it is reasonable for new

graduates to show some flexibility when it comes to occasionally working into their lunch breaks (or after hours) as the need arises.

The need for after hours work varies among practices, depending on the availability of other facilities that handle emergency work or intensive care, the number of veterinarians in the practice, the way appointments are scheduled, the availability of technicians and other staff members to do treatments after hours, and the general philosophy of the practice. In many practices, new associates are expected to make themselves available for some after hours work when it is necessary for patient care. This may include treatments on Sundays and holidays, staying late on busy days, “on call duties” (see p.18) and night treatments for critically ill hospitalized animals. If the practice owner expects that a new associate will be called upon to do after hours work, this expectation should be made clear before the start of employment. An estimate of the weekly hours of work should be provided to the associate prior to starting the job. It is not common for veterinarians to be paid overtime wages for after hours work (except for on call emergencies, discussed below). However, if the associate is expected to work significantly more than the 40 hours per week, this should be reflected either in the salary offered, bonuses, or commission paid, on work done after hours, or in extra time off. If the new associate has obligations that prevent after hours work (for example, child care responsibilities), these should be outlined to the prospective employer before employment commences. Both the practice owner and the associate veterinarian should attempt to be as flexible as possible in coming to an agreement that is fair to both and does not cause unnecessary hardship to either party. Often it is difficult to know in advance the amount of after hours work that will be necessary, and, it is therefore advisable that this issue be discussed at the 3 month performance review (see Section 14).

Allocation of After Hours and On Call Duties

Division of after hours and on call duties are among the most contentious of all issues facing the practice owner and the associate. It is customary for every full-time veterinarian to make a contribution to the after hour needs of the practice. Many practices choose to split the duties equally between all veterinarians working in the practice, in the interests of avoiding animosity. Treatments and on call duties for evenings, weekends, and holidays can be allocated on a rotating basis. In some practices, the owner may wish to work less than an equal share of hours. This expectation must be communicated clearly to the new associate before hiring and the new employee must be agreeable to this method of allocation. Some method of remuneration (for example, extra time off or payment for being on call) should be provided to the associate as compensation for the additional share of on call duties.

There is a need for ongoing dialogue regarding the distribution of after hour work, as personal situations and preferences may change. Informal agreements to trade nights and weekends on call are helpful in allowing each veterinarian to attend family events and allow for other special circumstances.

With regards to on call duties, there should be clear agreement on the following items:

- The veterinary practice should supply a pager or a cell phone for the use of the veterinarian on call. It is unreasonable to restrict the mobility of the person on call, although he or she is expected to attend to emergencies punctually.
- If the practice provides a cell phone, its use should be restricted to work-associated calls unless there is an agreement that the associate pays for personal use.
- Consumption of alcohol while on call should be prohibited.

- A backup veterinarian should be available (by phone or in person) to assist the new graduate with emergency calls during the first few months of employment.

Payment for After Hours Calls

The vast majority of practices provide extra remuneration for associates attending after hour emergency calls. There is variability among practices in the manner of compensation for Sunday/holiday treatments or after hours work on busy days.

There are several ways to compensate associates for after hour duties:

- Pay a stand-by fee for being on call. Typically, this is equivalent to two hour's wage (approximately \$50) for each night the veterinarian is on call. Sunday and holiday call may be compensated at a higher rate.
- Pay an after hours call fee for each patient seen after hours (typically \$30 to \$50 before midnight, higher for calls after midnight). This fee usually corresponds to the after hours charge that is added to the client's bill.
- Pay a percentage of the professional fees generated by calls seen after hours (commonly, 25% if the after-hours call fee is also included; 30-35% if not). It is important to establish in advance whether this includes fees for treatment of the animal if the case goes into the next work day, or if this includes only the fees for the after hours care.
- Offer time off in lieu of remuneration.
- Pay a higher base wage but no compensation for emergencies attended. The amount of wage premium will depend upon the number of hours on call, and the number of emergencies the associate is likely to attend. An annual figure of \$5000 to \$10,000 is not unreasonable for a practice that has a busy after-hours service. The disadvantage of this arrangement is that there

is little incentive for the veterinarian to attend an individual emergency case, as there is no fee per service. Before agreeing to an arrangement of this type, the associate should be provided with a reasonable estimate of the number of emergency calls that can be expected, based on past history of the practice.

Some practices utilize a combination of the methods listed above. The particular method of compensation should be agreeable to both the practice owner and the associate, and should be high enough to make the employee feel positive about attending after hours calls.

Veterinarians living in areas without emergency clinics may wish to consider a cooperative sharing of on call duties with neighboring practices, to decrease the stress on associates and themselves.

8. Days of Work

Statutory Holidays

Arrangements for work on statutory holidays vary widely between practices. Some practices remain open and fully staffed. Other practices close but offer emergency service. Some practice areas are served by emergency clinics and on call duties may not be required. Most practices make provision for a veterinarian and/or veterinary technician to perform treatments on hospitalized animals.

Treatment and on call duties are normally performed on a rotating basis by all veterinarians working in the practice. Other arrangements may be workable, provided all the veterinarians agree on the scheduling arrangement and extra compensation is available for those who do more than an equal share of duties.

Veterinarians are normally exempt from employment standards legislation providing for statutory holidays, and, therefore, no additional pay is required by law. If the associate works the equivalent of a full day extra (either on a holiday, or day off, or after hours) it is fair to compensate the associate either monetarily or by providing an alternate day off.

If an associate's day off falls on a statutory holiday, most practices allow an extra day off, although not necessarily the day after the holiday.

Vacation

Veterinary associates are entitled to vacation at the end of one year of employment. If their employment ends before that time, they are entitled to 4% vacation pay.

Most practices offer 3 weeks of vacation per annum for their newly graduated associates. The timing of the vacation leave is restricted in some practices: many do not allow vacation leave during the first 6 months of employment, and some practices do

not allow vacation leave during busy months of the year (for example, calving season in a large animal practice, or during heartworm testing season in a small animal practice). The vacation should be scheduled in periods of one or more weeks unless the associate requests otherwise. It is customary for vacation time to be used entirely each year (or holiday pay given) with no banking permitted.

If the associate wishes to take extra time off, some practices will allow a leave of absence without pay, whereas others allow the associate to take time off as compensation for after hours work.

Sick Leave and Other Absences

Provincial employment standards do not require paid sick leave for employees. Many practices do not pay for sick days, although unpaid time off is taken as needed. Alternatively, associates may use vacation time (in which case the leave is paid).

Some practices allow a limited number of paid sick leave days per year (6 days annually is average). In most cases, these cannot be carried forward if they are not used. Some practices allow a portion of unused sick leave (often 50%) to be taken as time off at the end of a year's employment.

Some practices allow a limited number of days leave for bereavement (funeral) leave, or family emergencies, or care of immediate family members that are ill. A total of 4 days annually is average. This leave is normally unpaid, unless the associate can make up the time at a later date, use vacation days, or use days allocated for paid sick leave.

As these examples indicate, there is a great deal of variation between practices in how issues such as compassionate leave, sick leave, and family sick leave are handled. The issue should be discussed by the practice owner and associate before entering into an employment agreement. Many practices do not have a firm policy on these issues, and prefer to negotiate an agreement as

circumstances arise. Ideally, common sense, flexibility, compassion, and “the golden rule” should govern the arrangements.

Most practices do not allow paid leave for jury duty.

Maternity/paternity leave

Maternity and paternity leave are governed by provincial statutes and apply to all regular employees, including associate veterinarians. Leave applies to both adoption and natural birth. Maternity and paternity leaves are normally paid through employment insurance, rather than the practice. As self-employed veterinarians do not normally pay employment insurance, they are not eligible to receive paid maternity or paternity leave.

It is a violation of provincial labour laws to terminate the employment of any person who has elected to take maternity or paternity leave. Anything short of strict compliance is likely to result in allegations of wrongful dismissal or human rights complaints.

Some employment agreements require that a notice period (one to three months) be given prior to departure and return from maternity or paternity leave. Legislation in most provinces requires a minimum of 2 weeks notice of the date that the employee is going to be leaving work.

9. Professional Benefits

Continuing Education

The majority of practices offer continuing education benefits to new graduates, viewing it as an investment in the future of the employee and the practice. In some provinces, continuing education is a requirement for all practicing veterinarians, although new graduates may be exempt from this requirement in the first year after graduation.

For practices offering continuing education benefits, the average amount is \$1000 per year. This benefit may be used to pay for all or a portion of the following: conference registration, travel costs, hotel, and food. Practices can claim these expenses as deductions from taxable income.

Practices that offer continuing education benefits normally allow paid time off for the associate to attend continuing education. The average is one week (5 working days).

Most practices attach conditions under which continuing education benefits can be spent:

- Some practices allow a certain number of continuing education hours, rather than a monetary limit.
- Some practices allow unused funds to be carried on to the following year, others do not.
- Some practices ask the employee to commit for a specified period to the practice (usually one year). If the employee leaves before then, he or she may be required to reimburse the practice for continuing education benefits that were used, on a pro-rated basis.
- The nature of the continuing education must be approved by the practice, if the clinic is paying the cost. Usually, the choice of meeting is determined by mutual agreement between the associate and the practice owner. Some practice owners suggest that business-related continuing education is particularly valuable in the first year. Many practice owners prefer that associates attend

continuing education offered by local veterinary associations, due to the low cost of travel and opportunity to meet local veterinarians. Some practices allow continuing education funds to be used for distance education modules.

- Many practices restrict the time of the year that continuing education benefits can be used (for example, not during calving season in a large animal practice). In many cases the benefit cannot be used in the first six months of employment.
- Many practices expect the associate to present information to other veterinarians and hospital staff upon their return from a continuing education event.
- Some practices are willing to increase continuing education benefits if the new associate has an interest in a particular field that has the potential to generate significant revenue for the practice.

Some practices do not offer continuing education benefits for the following reasons:

- A higher base salary may be paid, allowing the employee to choose and pay for his or her own benefits.
- Some practices prefer to reserve some benefits as a reward for long term employment or as an incentive to stay with the practice into a second year. In these practices, it is common for continuing education benefits to be offered on a sliding scale, increasing after one or two years of employment.

Malpractice Insurance

All practicing veterinarians should have malpractice insurance. This benefit is normally paid for by the employer.

Practice owners usually choose to provide malpractice insurance for all of the veterinarians working in a practice. This ensures that the practice's financial interests are protected, as well as the interests of the individual veterinarian. Coverage of new associates can

often be obtained as an “add on” to existing policies, at little or no extra expense. Many practices have blanket policies that cover not only employees but also locum and other self-employed veterinarians who work in the practice. Malpractice insurance is normally a tax deductible expense for the practice.

Associates may occasionally choose to pay for their own malpractice insurance, in the interests of portability or if no benefits are provided by the practice. Malpractice insurance can be claimed as a tax deductible expense if the associate is self-employed.

If the benefit is paid for by the employer, the associate should be provided with written documentation that the insurance is in place.

Licensing Fees

The practice owner must ensure that each of his or her associate veterinarians is licensed to practice. If the associate pays for his or her own license, the practice owner should confirm the associate’s status by contacting the licensing body or viewing the current license.

A license to practice is granted to the individual, not to a practice, and is therefore transferable out of the practice if the new associate chooses to leave.

For many practices, payment of fees to the provincial licensing body is a negotiable benefit. Licensing fees (and provincial association membership fees, if they are included in the licensing fee) are a deductible expense for the business or employee (whoever pays the fee). It is common for the associate to pay for his or her licensing fee in the first year, and for the practice to pay for the licensing fee thereafter. Alternatively, the practice may pay membership fees up to a defined maximum.

If the employer pays for the licensing fee, the employment agreement may include a clause specifying that the employer be reimbursed for the licensing fees on a pro-rated scale if the associate leaves the practice. As with pro-rated continuing education fees, this is easier to suggest in theory than it is to do in practice.

Other Professional Fees

Payment of fees for voluntary professional associations

(AAHA, OVMA, CVMA in some provinces) is a negotiable benefit. Association membership benefits both the individual and the practice as a whole, and there is no accepted standard on whether the employee or employer should pay. Some associations offer reduced membership rates for new graduates.

In the case of practices that offer professional fees as a benefit for associates, some define a maximum allowance for professional memberships, and the associate and practice owner mutually agree on how it is applied. Some practices offer membership in professional associations only after a specified period of employment (often one year) as a reward for continued service. Other practice owners elect to provide a salary high enough to allow the associate to choose his or her own optional expenses, including membership in professional associations.

Many practices provide each associate with membership in the local veterinary academy. This is normally an inexpensive benefit that fosters collegiality by allowing the associate to meet other local practitioners. It also assists the associate to become familiar with local issues and may provide continuing education opportunities in some cases.

Membership in professional organizations may significantly reduce registration costs for continuing education events and may benefit the practice directly by allowing discounts for charge cards, insurance, and other member services.

10. Vehicle Benefits

The employer has a legal obligation to pay for all the necessary vehicle expenses for an employee who does farm calls or house calls. The employer has no obligation to pay vehicle expenses for an employee travelling to and from the workplace, or between different locations of a practice (for example, between the main office and a satellite clinic).

Vehicle benefits can be provided in one of three ways, depending on the preference of the practice owner and the associate. Before reaching an agreement, it is advisable that each party (employer and associate) consult with their accountant regarding the taxation implications of each type of arrangement.

- a) The practice may provide a vehicle, paying for all costs (vehicle purchase or lease, fuel, repairs, insurance, maintenance, depreciation). This is the simplest solution, provided there is no personal use of the vehicle by the associate.

d antages The vehicle costs may be tax deductible for the employer.

isad antages Personal use by the associate must be discussed and agreed upon in advance. There may be a charge back to the practice for personal use, and Revenue Canada requires complicated calculations to determine the taxable benefits to the employee.

- b) The associate may provide his or her own vehicle and pay for the associated costs. The associate is compensated on a per kilometer basis or as a percentage of the mileage fee billed to the client (usually 50%).

d antages If the associate is self-employed, some vehicle expenses can be recaptured. Personal ownership may be financially rewarding and allow the new graduate the opportunity to own a new vehicle immediately after graduation.

isad antages The vehicle must be adequately insured to protect both the associate and the practice from liability claims

in case of an accident. A log must be kept of kilometers travelled on practice business.

- c) The associate may be paid a salary that is generous enough to cover driving expenses when on practice business. The practice owner should seek legal advice as to whether their own particular arrangement satisfies the legal obligation to provide necessary equipment for the employee to do their job.

Whatever the arrangement for vehicle benefits, several issues need to be discussed in advance:

- Liability and collision insurance coverage should be reviewed so each party understands the coverage. For example, if the associate has an accident while driving the vehicle to a veterinary call or continuing education event, who pays the deductible?
- A written agreement should specify that traffic laws are to be obeyed at all times and that the associate is responsible for traffic fines and violations. If the vehicle is provided by the practice, the agreement should state that the vehicle is not to be driven by a third party. Evidence of lack of due care (including driving while intoxicated) may be grounds for dismissal.

11. Other Benefits

Medical/Dental Plans

Some practices offer dental and health benefits to all employees through an existing health plan. In most cases, the employee contributes to the cost of the plan along with the employer (a 50/50 arrangement is common). Some employees may not wish to participate in group insurance plans, particularly if they are already covered by their spouse's insurance plan.

If the practice pays for all or part of the dental and health benefits, it is common for this to take effect following a waiting period, which varies from three months to two years after the start of employment.

Health and/or dental insurance are often provided at considerable cost to the practice, and may have a negative impact on the salary of the associate. In general, they are more economical for larger practices than for small practices.

Medical and dental benefits have tax implications for the associate, which should be discussed with an accountant.

Disability Insurance

Some practices offer disability insurance as a benefit for their associates. If the practice pays for disability insurance for its owners and full-time employees, this is a business expense which is tax deductible for the practice. In this case, the benefits are considered to be taxable income for the disabled person.

In some cases it may be more advantageous for associates to purchase their own disability insurance. If the employee pays for his or her own disability insurance, the benefits are not taxable. For this reason, the employee may wish to “top up” or replace the group insurance plan with their own portable plan. As a minimum, the employee should obtain a copy of the disability insurance policy for the plan offered by the practice, analyze it

carefully, and obtain professional advice to ensure that his or her particular needs (both personal and work-associated) are adequately met by the plan.

Pension

Very few practices offer pension plans for associates. The logistics of setting up a pension plan, plus the relatively high turnover of staff, makes them unsuitable for most practices.

Some practices have group RRSPs. In most cases, new associates are able to join after a three month to one year waiting period. Usually, the employer contributes no money and the RRSP is a payroll deduction from the associate's paycheck. In a few practices, the employer matches the employee's contribution.

In the absence of a pension plan, associates are strongly encouraged to start their own RRSP as soon as possible after entering the workforce. Even a modest contribution made at the start of one's career may grow to a considerable amount by retirement. The CVMA and some provincial associations have negotiated significant reductions in fees for members who wish to set up self-directed RRSPs.

Clothing Allowance

Some practices have a policy specifying that veterinarians must wear a standard uniform when at work. This may include coveralls, calving suits, lab coats, and scrubs. Clothing of this nature is normally provided by the practice and cleaned and maintained at no cost to the employee (or the employer and employee may enter into an agreement that reimburses the employee for cleaning and maintenance responsibilities). If the uniform is provided by the practice, it remains the property of the practice and is generally not worn except during working hours.

In addition, some practices have a dress code, and may for example require a particular style of shoe or pants. If this is the

case, the practice normally pays for the cost of the clothing or gives a yearly stipend for purchase of the clothing.

If ordinary street clothing is permitted, it is normally provided by the associate. Some practices prohibit employees (including veterinarians) from wearing casual clothing such as shorts or jeans. The strictness of the dress code usually reflects the image that the practice owner wishes to present.

Workers Compensation

Workers Compensation is, strictly speaking, not an employee benefit. It is a fund set up for injured workers, administered by the province. Participation in a workers compensation plan is mandatory in some provinces and optional in others. The benefit for the participating employer is that injured workers are prohibited from suing the employer for wages or other compensation for work-related injuries. The benefit for employees is that they receive financial compensation for injuries sustained on the job.

Associates should determine whether or not they are covered by workers' compensation before commencing employment.

12. Benefits for Part-time Employees and Self-employed Veterinarians

Part-time workers may be self-employed, or employed by one or more veterinary practices. There are important tax issues involved, which each party should discuss with their accountant before entering into a long term agreement.

Part-time Employees

A part-time employee may be defined as someone who works less than 20 hours per week. In general, veterinary practices provide fewer benefits to part-time employees than to full-time employees. One exception is uniforms, which are usually supplied to part-time employees if the business requires that they be worn. Malpractice insurance is another benefit that is often provided for part-time associates. Some practices offer continuing education benefits and/or may pay for licensing fees, particularly for employees that have been with the practice for a number of years or who work three or more days per week. Benefits similar to those offered to full-time staff may be offered, but often they are pro-rated according to the number of days worked per week.

Self-employed Veterinarians (Including Locums)

There are some taxation benefits for veterinarians who claim self-employed, rather than employee, status. However, Revenue Canada uses 4 tests to determine whether or not a person is an employee or a self-employed independent contractor. These tests are:

- 1) Manner and consistency of payment
- 2) Risk of profit and loss
- 3) Ownership of tools and equipment
- 4) Degree of control

These issues should be discussed by both the practice owner and the associate veterinarian with their respective accountants.

Veterinary practices do not normally provide benefits to self-employed veterinarians, other than malpractice insurance. Self-employed veterinarians normally supply their own uniform and in some cases, their own equipment. Professional expenses such as continuing education, uniforms, licensing fees, and membership in professional associations are paid by the self-employed veterinarian and are a tax deductible expense. If these benefits are provided by the practice, it is difficult for the veterinarian to justify his or her self-employed status.

13. Non-competition Agreements

A non-competition agreement prevents the associate from practicing within a specified area for a specified period of time after he or she leaves the practice. They are not required by all employers, but are a condition of employment in some practices.

If a non-competition agreement is deemed to be necessary, it is usually part of the agreement that the associate signs before starting employment. However, it is reasonable to allow a three month probationary or trial period before the agreement takes effect. If the associate leaves the practice before this period is ended, there is little loss of goodwill and the practice is unlikely to be adversely affected financially.

Non-competition agreements are not enforceable unless reasonable in terms of time (usually one to three years after the associate leaves the practice) and distance (depending on practice type, and the number and proximity of other practices).

Prior to signing a non-competition agreement, it is advisable that each party (practice owner, associate) seek independent legal advice with respect to the enforceability of its provisions and obtain a written opinion on this issue.

14. Performance and Salary Reviews

Performance reviews are of significant benefit to both the practice owner and the associate. The purpose of a performance review is twofold: to allow the practice owner to articulate the strengths and weaknesses that they perceive in the new graduate's job performance, and to allow the new graduate to communicate his or her thoughts on the job so far. Ideally, the performance review should include both praise and constructive suggestions on the part of both the employer, and honest self-assessment and assessment of the position on the part of the employee. Two way conversation is vital.

An initial review should take place three months following the start of the employment (this often coincides with the end of the probationary period). A performance review undertaken at this early stage allows problems to be dealt with before they become entrenched. Thereafter, performance reviews can be undertaken every three to six months. Many employers and employees seek out informal feedback sessions at more frequent intervals, using them as a teaching opportunity for issues such as marketing, client relations, and practice management. As the associate gains more experience within the practice, his or her duties may be extended to include supervision of staff, involvement in planning for the practice, and formulation of practice policies.

A salary review should be undertaken after 12 months of employment (or sooner, if specified in the employment agreement). Benefits and other contract items should also be reviewed at this time. Some practices offer limited benefits to employees in their first year, but significantly increase them after 12 months of employment as a reward for satisfactory performance. In any case, it is reasonable that the associate be given an increase in compensation after one year to reflect his or her increasing responsibilities within the practice, and his or her growth in experience, independence, and competence. The salary increase should also reflect the economic indices of

the practice; one good test of fairness in compensation is whether increases in practice earnings result in some increase in employee earnings.

15. Termination of Employment

The issues surrounding termination will vary depending upon whether it is the employer or the employee who terminates the employment. Although veterinarians are exempt from some provincial employment standards provisions, they are not exempt from provisions related to termination of employment.

Employer Terminates Employment

Employment standards in each province dictate the minimum amount of written notice that an employer must give an employee when terminating employment. In cases in which the notice period is less than the legislative requirement (in other words, the employee is asked to leave immediately), the employer is required to provide a severance payment equal to the employee's regular salary for the notice period. This varies among provinces but is typically one week for employment greater than three months but less than one year, and two weeks after twelve months employment. Some provinces specify that if the period of employment is less than three months, no notice is required. The employment standard may not apply to businesses where there are fewer than a given number of employees (often, 15). Notice and severance are also not normally required for part-time associates, or if the employment agreement was for a specific period of time (for example, locum replacement for an absentee veterinarian).

In the case of summary dismissal (for example, dismissal due to a serious breach of trust, often specified in the employment agreement), no notice or severance is required.

Although the employment standards dictate a minimum notice or severance period, it is preferable (where circumstances allow) for the practice owner to give the associate a longer period of notice. One month for each year of service may be reasonable under certain circumstances (for example, if the

employee is generally doing a good job and the employer does not have another candidate waiting for the job).

In some situations a shorter period of notice may be advisable and if the situation is truly untenable the employer may be well advised to pay the employee the legislated severance (or one pay period) and request their immediate departure.

Employee Terminates Employment

There is no legislative requirement that an employee must give the employer notice when quitting. However, the employee should recognize that their early departure creates difficulties for the practice owner and that this hardship has been recognized by the courts. Veterinarians have been found liable for “wrongful resignation” if reasonable notice is not given prior to departure. In some cases a minimum period of notice is specified in the employment agreement. If no notice period is specified, one rule of thumb is that the notice period should be one month per year of employment up to a maximum 6 months of notice. This notice period can be waived if both parties agree on a different arrangement. One month notice gives the employer time to make temporary arrangements (hire a locum, modify appointments) even though it may not be possible to advertise and hire a new employee during this time frame.

Some practices require a longer period of notice, as specified in the employment agreement. Long notice periods may lead to difficulties if an unhappy veterinarian is forced to stay in an untenable position. Generally, longer periods of notice are only advisable if a good relationship exists with open communication between both parties.

In all provinces, severance compensation is not normally required if the employee quits the job.

16. Animals Belonging to Employees

Most practices have a policy on the provision of services and supplies for animals belonging to employees, and this policy should be explained to the associate before hiring. This policy may include not only the provision of care for sick or injured animals, but also provision of pet boarding services, food, drugs, vaccines, and other supplies and services to animals owned by employees. In most cases, discounts are provided only for animals living in the household with the employee, and are not available for animals belonging to persons outside the employee's immediate family. Some practices do not offer discounts for animals that are raised for commercial purposes (dogs or cats used for breeding, horses raised for sale or racing, livestock).

Some practices extend professional care free of charge to animals belonging to the practice employees, whereas others offer a discount of 50% or more. The discount allowed for each case may be negotiated between the associate and the practice owner, considering issues such as the amount of work done by the associate personally, the cost of lab work, x-rays and other services; the use of other practice staff; and the number of animals requiring treatment. It is important for the associate and hospital owner to discuss the issue of cost before treatment commences, to avoid misunderstandings. Unless the medical needs of the patient are urgent, it is reasonable to ask that the animal is attended to at a time that is not inconvenient to the practice.

It is common for practices to limit the number of animals that this policy will cover (often, three animals per employee). Alternatively, the total discount may be capped at a maximum value per year (a figure of \$1000 is used by some practices). Some practices offer pet insurance as an employee benefit, in which case the costs of treatment are billed in full to the insurance company.

In the case of food, vaccines, and supplies, the amount of the discount varies widely between practices. Most practices allow employees to purchase pet food at cost, or cost plus 10%.

The practice may extend this policy to drugs, vaccines, and other supplies provided the associate administers them only to their own animals.

Associates are advised not to bring pet animals to work on a regular basis, unless there is a clear agreement between themselves and the supervising veterinarian that this is appropriate. The presence of companion animals (particularly those running loose in the practice) poses risks to other employees, clients, animals owned by other clients, and to the animals themselves.

17. Community/Volunteer Activities

Veterinarians are often asked to volunteer time for community activities, including school career days, 4-H club meetings, humane society or Society for the Prevention of Cruelty to Animals activities, and school tours of the practice. These activities are beneficial to the community and generate good will for the practice. They also provide good experience for the associates, allowing them to represent the profession in their interaction with pet owners and local community leaders. Practices are encouraged to allow the new associate a reasonable amount of paid time to participate in these activities, provided they are related to the veterinary field and are likely to benefit the practice. The associate may be willing to donate his or her time to these activities after normal working hours, but except under unusual circumstances, these after hour activities are not compensated by the practice.

18. Practice Philosophy and Policies

Before entering into an employment agreement, it is important that the practice owner and the prospective employee discuss practice philosophy and policy issues. The philosophy of a practice has been defined as its most central values, including the goals of the practice and the procedures by which its day to day management is accomplished. Practice philosophies emerge from the values and personalities of the owners, and it is important that the associates are aware of these values and are comfortable with them.

One expression of practice philosophy in the workplace is the way in which veterinarians and support staff interact. In some practices, veterinarians and support staff treat each other with formality whereas, in others, a less formal form of camaraderie is expected. Another expression of practice philosophy is the type of surgical and medical procedures that are performed by the practice, including ear cropping, tail docking, declawing, and euthanasia of healthy animals. Still another expression of practice philosophy involves the treatment of wildlife and unowned animals.

Financial policies should also be discussed. Many practices require written estimates before major procedures and workups. Some practices adjust fees based on the client's ability to pay; others do not. Some practices extend credit whereas others require payment in full at the time of service. It is essential that the new associate be aware of these policies and be able to function within the limits set by the practice management.

19. Employment and Associate Agreements

It is in the interests of both the practice owner and the new graduate to negotiate and sign an employment agreement at the time of hiring. In the case of veterinarians who are self-employed and working on a contract basis, it is important that an associate agreement be in place. The purpose of both employee and associate agreements is to clarify performance expectations and minimize the potential for conflict in the future. Some potential new associates are reluctant to bring up employment issues for fear of being perceived as aggressive or untrusting. Some practice owners assume incorrectly that the new associate is already familiar with a perceived “industry standard.” To avoid this type of misunderstanding or misinformation, it is important that the potential employer and associate discuss and agree upon the issues raised in these guidelines and express the result of their deliberations in writing. It is far easier to agree on and put into writing the terms agreed upon in advance, than to deal with issues on an ad hoc basis as they arise during the course of employment, each party trying to remember their original understanding. Surveys have shown that practices that have an employment agreement or job description in place when hiring an associate, experience lower turnover rates than those that do not have employee agreements.

An employment or association agreement can be a formal contract drawn up by a lawyer, or it can be an informal document. Regardless of the type of agreement that is drawn up, the terms must be reasonable, fair to both parties, supported by sufficient financial consideration and in compliance with provincial and federal law. The agreement should be specific to the particular practice and the people involved. Once an agreement is drawn up, both parties are strongly advised to obtain legal advice before signing.

The employment agreement should include the following:

1. *uration*. The contract should have a term of employment, stating how long the contract is enforceable and when it must be renewed. The term is usually one year or less. The expiration of the contract is designed to trigger the date of a performance review and salary renegotiation.
2. *ompensation and formula* (straight salary, percentage of revenue generated, or both). If paid a percentage of revenue, the agreement should specify if this is gross revenue, net revenue, or something else. Payment for on call duties should also be described. The agreement should also include what days are paid for, what days are not, and specify additional compensation for on call duties.
3. *esponsibilities and duties*. The agreement should include a job description for the new employee. Information on working hours should also be included (for example, minimum hours per day; required flexibility; shifts, if any; on call responsibilities; number of weekends to be worked; number of holidays to be worked; and any special requirements of the practice).
4. *enefits*. The agreement should spell out what benefits are offered, how much they cost each party, and when they are available. This includes vacation, statutory holidays, sick leave, disability insurance, continuing education, licence fees and other professional fees, malpractice insurance, uniform or clothing allowance, vehicle benefits, pension benefits, medical/dental insurance packages, and any other benefits offered by the practice.
5. *Other issues*. The employment agreement may also include a non competition and/or non-solicitation agreement, confidentiality provisions, and termination policy (including grounds for immediate dismissal, disability, notification of termination by employer or employee).

A sample employee agreement is given in Appendix A.

This employee agreement is provided as a sample only and the reader should not adopt its content without seeking independent legal advice prior to doing so.

1. Note on Terminology: The term “associate” is used here to describe a veterinarian who is an employee (full-time or part-time) of a veterinary practice, and has no share of ownership in the practice.
2. Veterinary legislation in some jurisdictions suggests that payment of a veterinarian based on their billings is a conflict of interest. Even where such compensation is clearly allowed by law, some believe that ethical problems are raised when compensation is tied solely to fees billed. This opinion is by no means universal and others point out that ultimately, all of the employee salaries and practice owner income derive from fees billed.
3. Revenue Canada currently recognizes 31 cents per kilometer.

Appendix A: Sample Employment Agreement

This sample agreement is provided by the Canadian Veterinary Medical Association as an example of an employment contract for consideration by the parties. Prior to implementing any form of legal document it is strongly recommended that all parties seek and obtain independent legal and accounting advice. The Canadian Veterinary Medical Association does not endorse this or any other form of agreement which is provided merely to assist its members in understanding some of the issues which should be addressed in any employment relationship

this professional Employment Agreement made this 1st day of January, 2001.

between :

IMA VETDOC, D.V.M.

(herein referred to as the “Employee”)

of the first part

and

SHESA OWNER, D.V.M. and HESA OWNER, D.V.M

Carrying on business in partnership under the firm name and style of “Anywhere Animal Hospital”(herein referred to as the “Employer”)

of the second part

hereas the Employer is a professional partnership which carries on the practice of veterinary medicine from its principal place of business being 123 Main Street, Anywhere;

and hereas the Employee has been granted a degree of Doctor of Veterinary Medicine;

and hereas the Employer has agreed to employ the Employee on the terms and conditions hereinafter set forth.

herefore this agreement witnesseth that in consideration of the covenants, agreements and promises herein set forth and other good and valuable consideration, the receipt and sufficiency of which is by the parties hereto acknowledged, *the parties agree as follows:*

1.00 Employment of Employee

1.01 Employment

The Employer agrees to employ the Employee and the Employee agrees to provide services to the Employer in accordance with the terms of this Agreement.

1.02 Agency

The Employee hereby acknowledges that he does not act as an agent nor does any agency relationship exist between himself and the Employer and agrees that he shall not represent himself to be the agent of the Employer for any purpose and shall not incur any obligation or make any promise or representation on behalf of the Employer. Further, the Employee agrees to indemnify and save harmless the Employer against any damages, suits, actions, or causes of actions directly or indirectly arising out of any representations the Employee makes that he acts as an agent for the Employer.

1.03 Obligations of Employee

Unless prevented by ill health or other sufficient cause, the Employee, during the Term (as hereinafter defined) and every renewal thereof, shall devote his full time and attention to the business of the Employer, and shall not, without written permission of the Employer, directly or indirectly, engage in any other business of any other corporation, firm or individual.

1.04 Confidentiality

- (a) The Employee shall well and faithfully serve the Employer and use his best efforts to promote the interest thereof, and shall not disclose the private affairs of the Employer or any secret of the Employer to any person, other than the officers of the Employer, and shall not use for his own purpose, or for any purpose other than those of the Employer, any information he may acquire with respect to the Employer's affairs.
- (b) All information, documents, customer data and like material is hereby deemed to be confidential.

1.05 Non-Competition

- (a) Upon termination of the Employee's employment or of this Agreement, the Employee agrees that, for a period of eighteen (18) months following such termination, he shall not either directly or indirectly, alone, as an employee, or as a member of a partnership or corporation, engage in the practice of veterinary medicine, nor deal directly with any client of the Employer within the City of Anywhere and a twenty (20) kilometre radius thereof.
- (b) The term "client" as employed in subparagraph (a) hereof shall be deemed to be any party for whom the Employer has rendered professional veterinary services within a period of two (2) years prior to the termination referred to in subparagraph (a).
- (c) The Employee acknowledges and agrees that the restrictions contained in subparagraph (a) are reasonable in the circumstances and necessary for the protection of the integrity of the Employer and agrees that he shall not challenge this covenant in any subsequent court action based in law or equity and that this clause may be raised as an estoppel to any such challenge.

1.06 Automobile and Expenses

- (a) The Employee shall provide his own automobile suitable to carry out the performance of the obligations of the Employee

pursuant to this Agreement and shall be granted a car allowance of thirty-one (31¢) cents per kilometre travelled plus parking expenses actually incurred by him in the performance of his duties (the “Automobile Expenses”).

- (b) The Automobile Expenses shall be paid by the Employer to the Employee no later than the fifteenth (15th) day of the month subsequent to the month to which the Automobile Expenses relate.

1.07 Other Expenses

The Employee hereby acknowledges that, save and except any expenses otherwise provided for in this Agreement, he shall be solely responsible for the payment of any expenses incurred in connection with the services performed by him pursuant to this Agreement and that the Employer shall not be required to reimburse the Employee for any expenses so incurred.

1.08 Qualification

It shall be a condition of the Employee’s employment that he is duly authorized to practise veterinary medicine in the Province of _____ and is a member in good standing of [insert name of provincial regulatory body]. The Employer hereby agrees to reimburse the Employee for any fees or levies payable to such regulatory body for membership therein.

1.09 Job Description

The Employee hereby acknowledges having been advised of the job description relating to this employment engagement which has been annexed as Schedule “A” to this Agreement. Further, the Employee acknowledges receipt of a copy of the Personnel Manual of the Employer and agrees to abide by its terms and any amendments thereto from time to time.

2.00 Term

2.01 Initial Term

The initial term of this Agreement shall be for a period of two (2) years from the date hereof (the “Term”).

2.02 Automatic Renewal

Notwithstanding the Term as set out in Section 2.01 hereof, the Term of this Agreement shall be subject to automatic renewals for successive terms of one (1) year unless terminated by either party upon written notice of such termination delivered to the other party not less than sixty (60) days prior to the end of the then current Term.

3.00 Compensation

3.01 Salary

The Employer agrees to pay to the Employee for the services provided by the Employee an annual salary in the amount of _____ (\$ _____) Dollars per annum payable in equal, bi-weekly instalments of _____ (\$ _____) Dollars subject to all statutory deductions including, but not limited to, income tax, Canada Pension Plan payments and Unemployment Insurance benefits.

3.02 Benefits

- (a) The Employee shall have the option of participating in the Employer’s disability insurance plan at the Employee’s own expense in accordance with the benefits thereof established by the issuer from time to time.

- (b) The Employer shall be responsible for obtaining and maintaining during the term of this Agreement a policy of Errors and Omissions Insurance covering the acts and omissions of the Employee at the sole expense of the Employer.
- (c) The Employee shall be at liberty to be absent from the operations of the veterinary hospital owned by the Employer for the purpose of attending continuing education seminars, as agreed to by the Employer, for up to five (5) days during any calendar year in which this Agreement is in effect. The Employer agrees to pay the costs of seminar registration or tuition, travel costs and accommodations for one (1) night for the purpose of attending any such continuing education seminar to a maximum annual cost of two thousand (\$2000.00) dollars. The Employee may be required to pay the costs referred to herein but shall be entitled to be reimbursed for all such reasonable costs by the Employer.
- (d) The Employer shall provide the Employee with a uniform allowance in the amount of four hundred (\$400.00) dollars annually for the purpose of permitting the Employee to acquire such professional hospital apparel required by the Employee including, but not limited to, lab coats, safety or rubber boots, eye protection goggles. All such selections shall be made from the selection inventory of garments determined by the Employer to be the apparel worn in the hospital.
- (e) The Employer shall be responsible for the payment of all dues and levies for membership of the Employee in [insert name of provincial regulatory body] and one other professional veterinary special interest group selected by the Employee to a maximum cost for such dues and levies of eight hundred (\$800.00) annually.

3.03 Salary Review

On each anniversary date of this Agreement, the Employer shall review the performance of the Employee with a view to increasing the annual salary set out in paragraph 3.01 and, in the event

that the Employer determines that any increase is warranted in his sole discretion, then such increased salary shall be determined to be the salary paid to the Employee pursuant to the terms of this Agreement and the provisions of paragraph 3.01 shall apply mutatis mutandis to such increased salary.

4.00 Property of Employer

4.01 Acknowledgement

The Employee hereby acknowledges that all documents related to the performance of his services as a veterinarian including, but not limited to, all contents of files, patient information and lists, accounting records, and all other file information (the “Materials”), shall be the sole property of the Employer and further agrees that the Materials shall be returned to the Employer upon twenty-four (24) hours’ notice.

5.00 Termination

5.01 Cause

The Employer may terminate this Agreement without notice or pay in lieu thereof for just cause including, but not limited to, the inability for any cause of the Employee to practise veterinary medicine or the Employee being suspended or membership privileges revoked by final order of [insert name of regulatory body]. In the event that this Agreement is so terminated, the Employer shall be entitled to withhold salaries due to the Employee and to set off same against damages, if any, incurred by the Employer as a result of the misconduct of the Employee.

5.02 Notice

The Employer may terminate this Agreement at any time without cause upon giving the Employee written notice in accordance with the minimum standards set out in the Employment Standards Act. The Employee may terminate this Agreement upon the giving of six (6) weeks' notice of resignation prior to the effective date of such resignation.

5.03 Consequence of Termination

In the event that this Agreement or the employment of the Employee is terminated for any cause whatever, the following shall apply:

- (a) All salaries which have been completely earned by the Employee and unpaid shall be paid to the Employee by the Employer subject to paragraph 5.01 hereof;
- (b) All files, documents and records of the Employer in the possession of the Employee shall forthwith be delivered to the Employer; and
- (c) If required by the Employer, the Employee shall make himself available to the Employer for a reasonable period after termination to provide any information relating to files in his possession at the date of termination.

6.00 General

6.01 Arbitration

If a dispute arises between the parties relating to this Agreement, the parties agree to use the following procedure prior to any party pursuing other available remedies:

- (a) A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
- (b) If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to mediation and to bear equally the costs of the mediation.
- (c) The parties will jointly appoint a mutually-acceptable mediator, seeking assistance in such regard from an appropriate mediation facility if they have been unable to agree upon such appointment within twenty (20) days from the conclusion of the negotiation period.
- (d) The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of thirty (30) days. If the parties are not successful in resolving the dispute through the mediation, then the parties agree that the dispute shall be settled by arbitration in accordance with the Arbitrations Act, 1991 and Arbitration Rules of Arbitration and Mediation Institute of Canada Inc. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

6.02 Notice

Any notice authorized or required by this Agreement to be given or served shall be in writing and deemed to be duly given or served if the same shall be delivered personally, or shall be sent by prepaid registered mail with return receipt requested to the following address:

- (a) In the case of the Employee:

(b) In the case of the Employer:

In the event that notice shall be given by mail as aforesaid, it shall be conclusively deemed to have been given on the fourth (4th) business day after the date of mailing.

6.03 Assignment

The interest of the Employee under the Agreement shall not be assigned to any person without the consent in writing of the Employer. The Employer shall be entitled to assign his interest pursuant to this Agreement.

6.04 Governing law

This Agreement shall be governed by and construed in accordance with the laws of the Province of [insert province where clinic is located].

6.05 Severability

In the event that any Article or Section of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of the provisions hereof, but such parts shall be fully severable and this Agreement shall be construed and enforced as if such Article or Section had never been included herein.

6.06 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto and there are no representations or warranties or other terms except as herein contained in writing.

6.07 Time of Essence

Time shall in all respect be of the essence of this Agreement.

6.08 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and assigns.

IN WITNESS WHEREOF the parties have duly executed this Agreement under seal.

SIGNED, SEALED & DELIVERED in the presence of

Witness

Ima Vetdoc, D.V.M.

Witness

Shesa Owner, D.V.M.

Witness

Hesa Owner, D.V.M.

