



STATE OF WASHINGTON  
Department of Licensing

**Contract Term Guidelines**

Pursuant to WAC 308-33-030 contract terms or clauses have been prepared to assist employment agencies and to expedite the review required prior to contract approval as prescribed by RCW 19.31.050.

These guidelines are not intended to be all inclusive, restrictive or mandatory. Normally, clauses one through four must be expressed in some manner or form in all agency-applicant contracts. Some employment agencies may desire to modify the clauses include additional clauses to satisfy or clarify their particular type of services. In that event, such terms or clauses will be subject to detailed review before receiving approval for use. Note: Item six cannot be modified, and must be part of the contract.

The following terms or clauses will be approved for use, if the agency elects to incorporate them, as written, in the agency-applicant contract:

1. I hereby agree to pay XYZ employment agency a placement fee according to the terms of this contract when they have referred me to an employer and as a result of that referral, I have accepted a position. I understand I "Accept" a position for purposes of this contract when I agree with an employer, either orally or in writing, to begin work.

2. The following terms shall govern the fee that I will be obligated to pay for a permanent position. A permanent position is one which the employer, XYZ employment agency and I intend at the time of acceptance, to last longer than sixty (60) days.

a. The following schedule shall apply, subject to the limitations provided elsewhere in this contract:

<b>Monthly salary</b> <i>(For example)</i>	<b>Range of agency's fee</b> <b>Expressed in dollars</b> <i>(See WAC 308-33-030)</i>	<b>Agency's fee as a percent of</b> <b>Expected monthly compensation</b>
Less than \$ 300.00	Up to \$90.00	30%
\$300.00 to \$349.99	\$120.00 to \$139.99	40%
\$350.00 to \$399.99	\$ 175.00 to \$ 199.99	50%
Etc.	Etc.	Etc.

*(A month is considered to be 4-1/3 weeks.)*

b. The fee for a temporary position shall be \_\_\_\_\_ % *(not to exceed 20%)* of gross earnings: Provided however, that in no case shall the fee exceed that specified in the fee schedule for a permanent position. A temporary position is a position, which at the time of acceptance, is intended by the employer, XYZ employment agency and I, to last less than sixty (60) days. The fee for a temporary position which becomes permanent, will be charged in accordance with the permanent rate, with credit given for any fee previously paid.

c. I understand that if I accept permanent employment with an employer to whom I am referred, I am obligated to pay the full fee in accordance with the fee schedule above.

d. I understand that if I accept employment with an employer to whom I am referred and regardless of reason, such employment is terminated by either party within sixty (60) days after reporting for work, I will be obligated to pay XYZ Employment Agency \_\_\_\_\_ % *(not to exceed 20%)* of the gross wages salary or commission actually received by me in such employment or the full fee computed in accordance with the fee schedule, whichever is less.

e. I understand that if I accept employment with an employer to whom I am referred and thereafter never report for work, I am obligated to pay XYZ Employment Agency ten percent (10%) of what my first month's wages, salary

or drawing account would have been, if known. However, if the employment was to have been on a commission basis without any drawing account, then no placement fee may be charged by the agency.

3. I further understand that I may submit payroll information to the XYZ employment agency within seventy (70) days after acceptance of employment for re-evaluation to reflect a fee based on actual earnings for the first sixty (60) days of employment.
4. Include a clause which states when the fee is due the agency and a clause which specifies that an agency cannot require an applicant to make payments in any one-month period in an amount which exceeds the applicant's anticipated gross earnings for one month (*see WAC 308-33-011*). If an agency offers a discount for cash, deferred payments, or other credit arrangements, then such provisions, including details as to the amount of discount, time and method of payment, etc., must be described. In addition, if the credit arrangements are such that the transaction falls within the definition of "retail installment transaction" as defined in RCW 63.14.010(5), then the contract must comply with the requirements set forth in Chapter 63.14 RCW concerning retail installment contracts.
5. Provide a place for the applicant's initials to designate or acknowledge whether he is applying for only a position for which he will pay the fee (*applicant paid*), or for only a position for which the employer will pay the fee (*employer paid*), or both.
6. Following all contract clauses and directly above the space reserved in the contract for the applicant's signature, the caption "Notice to applicant - Read before signing", shall be printed in ten point bold face type or larger. Immediately under this caption, the body of the notice, printed in eight point bold face type or larger, will state: "This is a contract. If you accept employment with any employer through XYZ employment agency you will be liable for payment of the fee as set out above. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."
7. As required by RCW 19.31.040, RCW 19.31.170 limitations on fee amounts-refunds-exceptions must be either printed on or attached to the contract (*a copy is enclosed for your use*).

Additional clauses: (*If applicable or desired by the agency*)

"I agree that if I accept employment on a commission basis without any drawing account, then the gross fee charged shall be a percentage of commissions actually earned during the first 60 days of employment."

"If my earnings are based in full or in part on a commission, bonus, drawing account or guarantee, or any combination thereof, I agree that the fee shall be based on estimated earnings to be determined by XYZ employment agency, my employer and me."

"I agree to pay the full fee provided in this contract if, within six (6) months of the date of this contract, I am offered and accept a position as a result of my prior referral to that employer by XYZ employment agency."

"If it is necessary that XYZ employment agency employ a collection agency or attorney to collect this fee, I agree to pay reasonable collection costs, attorney fees and court costs."

"Placement counselors are not authorized to enter into any agreement that is contrary to the terms of this contract."

Further note: As a matter of protection, contracts should include a line for the signature of the agency representative; a line for the signature of the applicant; and a place for the applicant's initials or signature indicating "contract received." Ultimately, to insure validity, each contract should be dated and signed by both parties.