

LEGAL CHECKLIST FOR NEW (AND NOT SO NEW) VETERINARIANS

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You just graduated from veterinary school and are ready to join the workforce as a practicing vet. The past years have been filled with class, late night studying, and clinics, honing your talents for veterinary medicine and hopefully doing what you love. As you get started, you will encounter various legal issues in your career and personal life. The decisions you make or fail to make can have a major impact on your personal and professional success. You should be aware of various legal considerations as you transition from vet school, to an associate vet position, and maybe, one day, to ownership of a vet practice in a solo or group setting. The following discussion is an overview of some of the myriad of issues you will face, some early-on and some as your career advances.

ASSOCIATE EMPLOYMENT CONTRACTS

Most likely, you will be taking a job with an established vet practice and will be asked to sign an associate employment contract. Being an employed vet will allow you to focus on becoming proficient in the practice of veterinary medicine and you will not have to consider the myriad of legal issues faced by practice owners. Although certain provisions in employment contracts may appear (and, in fact, be) standard, these contracts may contain provisions, like non-compete restrictions and other restrictive covenants, that need to be closely reviewed in light of any facts unique to your situation (also considering the needs of the practice) and avoid restrictions that might prevent you from doing what you want to do as your vet practice develops and changes over time. Your associate employment contract should also address your compensation and employee benefit package, hours of work, and other terms of employment. Because of the importance of this agreement and its impact on your future, you should have any employment contract presented to you by a prospective employer reviewed by an attorney who can advise you on the legal considerations.

PRACTICE START UP

If instead of starting or continuing as an employed vet, you are considering starting your own vet practice, there are a variety of legal and accounting issues to consider, including the purchase or lease of real estate, bank financing, employment considerations as you hire staff, equipment leasing, choice of entity (LLC, corporation, sole proprietorship), and tax concerns. You will need to learn about the pros and cons of S corporation status, other pass-through forms of taxation, and C corporation tax status. You will need to develop your own client agreement and other legal and practice specific forms. If you plan to be a business owner, you will need to review these and many other important legal and tax considerations with your professional advisors.

BUY-IN TRANSACTION OR VET PRACTICE PURCHASE

After working as an associate for a few years, you may be offered the opportunity to buy into the vet practice, as one of multiple owners, or you may have the ability to purchase the entire

practice from your boss. If you are contemplating such a purchase, you need to make sure you carefully review the legal and financial status of the practice to ensure you are getting a good deal and a fair price and to confirm the future prospects of the practice in the marketplace. You and your legal and accounting advisers should conduct proper due diligence and your lawyer will need to draft comprehensive agreements to implement the purchase. You will need to determine whether to buy using an asset purchase or stock purchase, negotiate the terms of the purchase agreement and any related real estate purchase or lease, and develop the terms of any seller restrictive covenants. If you are buying into a practice and will have co-owners, you will want to make sure the practice has an adequate buy-sell agreement.

EMPLOYEE BENEFITS

If you are employed by an existing vet practice, you may have employer-provided health insurance, dental insurance, group life and disability insurance, and a retirement plan (401(k), SEP-IRA, profit sharing plan, etc.). These plans can be complicated and difficult to understand, but they are crucial to your financial security. You should carefully review your summary plan descriptions for each employer-provided benefit plan so you understand the terms and conditions.

PERSONAL INSURANCE

As a professional, you should responsibly insure yourself against the risks you face in your practice and your daily life. Adequate professional liability insurance, either provided by your employer or personally obtained, is a must. You should also carry sufficient amounts of car insurance, insure your possessions with renter's insurance or homeowner's insurance, if you own your home, and consider whether you need an umbrella insurance policy for more liability protection (especially important, if you own a boat, ATV, or snowmobile). If you become disabled, a personal disability insurance policy can ensure you have the monthly income necessary to take care of your needs. Lastly, depending on your family situation, you may want to obtain personal life insurance, especially if you do not have an adequate amount through a group policy at work. You should consult your insurance agent for more specifics.

ESTATE PLANNING

Even if you are single and do not have kids, you should do some basic estate planning. Everyone should have financial and health care powers of attorney in place in case you are incapacitated and can't make your own financial and health care decisions. You may also want to have a simple will to appoint your desired personal representative/executor and to designate your probate assets to your intended beneficiaries. At the very least, you should confirm that you have executed beneficiary designations to direct your retirement plan assets, IRAs, life insurance, and bank accounts to your preferred beneficiaries.

As a new veterinarian, I am sure you are excited to get started on your professional career. Take a few minutes, both as you start your career and periodically thereafter, and talk to qualified advisors to make certain you pass your legal check-up.