



## **YOUR CONTRACT: Sign on the dotted line?**

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It's that time of year again - your annual performance evaluation. Dozens of issues run through your mind: What will my raise be? Will I get promoted? Will my efforts to improve my reporting go unnoticed? Will I be selected for the new anchor opening that I have been filling in for? Should I consider signing a contract?

Unfortunately, raises for on-air talent in the broadcast industry average between 3%-6%. Talent, frustrated with these realities, look for ways to improve their dismal raise. A popular option is the "CONTRACT." Employers, seeking to retain talent, often raise the specter of a "bigger raise" by offering a contract.

At first blush, the offer of a contract seems reasonable. You agree to stay with the station for a period of time in exchange for a better-than-usual raise and possibly a promotion. "How bad could it be to sign a contract?" You ponder. Here are three questions to consider before you "sign on the dotted line."

### **1. Do you see yourself at the station for two to four years?**

If you are actively looking to leave your current position, then signing a contract may not be in your best interest. Typically, a contract will (1) bind you to your current employer for a period of two to four years, (2) prevent you from working for a competitor for six to twelve months, and (3) make it financially difficult for you to breach the contract.

These restrictions diminish your freedom to leave for better opportunities. Unless you are prepared to stay put for the stated period of time, signing a contract may not be in your best interest.

### **2. Can you afford the average 3%-6% raise?**

Typically, a station offers a better-than-average raise as an incentive for you to sign a contract. Unfortunately, that better-than-average raise is not much more than the average 3%-6% raise. You must weigh your salary expectation and needs against the prospect of binding yourself

through a contract. If you can afford the average raise and are actively looking for better opportunities, you may not want to sign a contract that could prevent you from accepting a better opportunity down the road.

### **3. Do you continue to grow and are you challenged on a daily basis?**

Success in the broadcast industry often depends on being part of a quality news team. If your news environment strives to be the best and encourages you to excel and grow professionally, you may want to consider a long-term commitment. A contract could give you employment stability, a more respectable salary, and demonstrate your commitment to the station. A two to five year commitment could dovetail well with your intention to improve your skills and growth within the news industry. Under these circumstances, entering into a contract could be in your best interest.

A contract commitment is a serious professional decision that should not be taken lightly. You should carefully weigh your options, seek the advice of a professional, and consider where you want to be in the next two to five years. Moreover, keep in mind that prospective employers expect that you will address your commitments professionally, either by serving out your contract or by making arrangements with your employer to part on favorable terms. Keeping these issues in mind should help you make an informed and reasoned decision on whether to sign an employment contract.

*This article is written to provide readers with a very general overview of the topic discussed. The information contained herein should not be construed as providing legal advice and it should not be relied on for that purpose. If you have specific legal questions, the author suggests seeking the advice of a qualified attorney.*

#### **About the Author**

Fernando M. Pinguelo is a trial lawyer licensed to practice law in New York, New Jersey, and Washington, D.C. He devotes his practice to entertainment law, complex litigation, and employment matters. Fernando has extensive experience in all facets of litigation in both the federal and state courts. In the area of entertainment law, Fernando counsels a host of diverse talent. He also serves as a regular article contributor for the National Association of Television Arts and Sciences (New York Chapter), *TVSpy*, *Next Generation TV*, and *Shop Talk*. Fernando has published several articles and lectures on a variety of topics including copyright, contracts, entertainment, employment law, and information technology. He has appeared on television several times as a legal commentator on various high-profile trials, and has been quoted in many newspapers and magazines, and on radio and television broadcasts regarding high-impact cases he has handled.

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