

CONTRACTOR CONVERSION AGREEMENT

This is a customizable starting template, not a finished legal document. Replace every [BRACKETED] field with your specifics, delete or adapt any clause that does not fit your situation, and have a licensed attorney in the governing jurisdiction review it before you or anyone else signs. CyberSygn is not a law firm and this template is not legal advice.

This Contractor Conversion Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [COMPANY ADDRESS] (the "**Company**"); and

[WORKER NAME], an individual residing at [WORKER ADDRESS] (the "**Worker**").

The Company and the Worker are each a "**Party**" and together the "**Parties**."

Recitals. The Worker has provided services to the Company as an independent contractor under [NAME / DATE OF PRIOR CONTRACTOR AGREEMENT] (the "**Prior Engagement**"). The Parties now wish to convert the relationship so that, as of the Conversion Date, the Worker becomes a [FULL-TIME / PART-TIME] [EXEMPT / NON-EXEMPT] employee of the Company. This Agreement documents that conversion, closes out the Prior Engagement, and sets the terms of the new employment relationship. In consideration of the mutual promises below, the Parties agree as follows.

1. Conversion and Effective Date

1.1 Conversion. Effective [CONVERSION DATE] (the "**Conversion Date**"), the Worker's relationship with the Company changes from independent contractor to employee, and the Worker will be classified, paid, and treated as an employee from that date forward.

1.2 End of contractor status. As of the Conversion Date, the Prior Engagement terminates and the Worker ceases to provide services as an independent contractor. Sections of the Prior Engagement that by their nature survive termination (such as confidentiality and assignment of work product) continue in effect to the extent consistent with this Agreement.

1.3 No gap in service for transition only. The change in classification on the Conversion Date does not, by itself, create a break in the Worker's working relationship with the Company, but employment begins on the Conversion Date for all benefit, tenure, and tax purposes unless stated otherwise in this Agreement.

2. Position and Duties

2.1 Position. As of the Conversion Date, the Worker will serve as [JOB TITLE], reporting to [MANAGER / TITLE], performing the duties described in [JOB DESCRIPTION / EXHIBIT A] and other duties reasonably assigned.

2.2 Status and classification. The Worker will be classified as a [FULL-TIME / PART-TIME], [EXEMPT / NON-EXEMPT] employee. Overtime eligibility and timekeeping obligations follow from this classification and applicable wage-and-hour law.

2.3 Work schedule and location. The Worker's standard schedule is [SCHEDULE] and primary work location is [LOCATION / REMOTE], subject to change consistent with business needs and applicable law.

2.4 Standards. The Worker will devote appropriate professional effort to the role and will comply with the Company's policies, including its code of conduct and other employment policies.

3. Compensation and Benefits

3.1 Base pay. The Worker will be paid a base [SALARY of [AMOUNT] per year / WAGE of [AMOUNT] per hour], payable on the Company's regular payroll schedule, subject to lawful withholdings and deductions.

3.2 Tax treatment. As an employee, the Worker's compensation is subject to income-tax withholding and the employer and employee share of payroll taxes. The Company will issue a Form W-2 for employment wages and will close out the Prior Engagement consistent with applicable tax reporting (for example, a Form 1099 for pre-conversion contractor payments where required).

3.3 Benefits. The Worker will be eligible to participate in the Company's benefit plans and programs on the same terms as similarly situated employees, subject to each plan's eligibility and waiting-period rules.

3.4 Paid time off. The Worker will accrue and use paid time off under the Company's PTO policy as in effect from time to time.

3.5 Expenses. The Company will reimburse reasonable, documented business expenses under its expense policy.

4. At-Will Employment

4.1 At-will status. Unless prohibited by applicable law, the Worker's employment is "at will," meaning either Party may end the employment relationship at any time, with or without cause and with or without notice.

4.2 No contrary representations. No statement or practice changes the at-will nature of employment unless set out in a writing signed by an authorized officer of the Company that expressly modifies at-will status.

4.3 Survival of obligations. Certain obligations, including those in Sections 5, 6, and 7, continue after employment ends in accordance with their terms.

5. Confidentiality and Intellectual Property

5.1 Confidentiality. The Worker will protect the Company's confidential and proprietary information and will use it only to perform their duties, in accordance with the Company's confidentiality policy and any separate confidentiality agreement the Worker signs.

5.2 Assignment of work product. To the maximum extent permitted by law, work product the Worker creates within the scope of employment or using Company resources belongs to the Company, and the Worker assigns to the Company all right, title, and interest in it, subject to any applicable state statutory carve-out for certain employee inventions.

5.3 Confirmation of prior work. The Worker confirms that work product created during the Prior Engagement was assigned to or owned by the Company as provided in the Prior Engagement, and the Worker reaffirms that assignment to the extent necessary to vest ownership in the Company.

5.4 Separate agreements. The Worker will sign the Company's standard employee confidentiality and invention-assignment agreement as a condition of employment, which supplements this Section.

6. Release and Settlement of Prior Engagement

6.1 Final contractor payment. The Company will pay the Worker all undisputed amounts owed for services under the Prior Engagement through the day before the Conversion Date, on the Company's standard timing for such payments.

6.2 Mutual release. Except for the obligations preserved in Section 6.3, each Party releases the other from claims arising out of the Prior Engagement that the releasing Party knows of as of the Conversion Date. This release does not waive any non-waivable rights under applicable law.

6.3 Preserved obligations. This release does not affect: (a) the Company's obligation to pay amounts under Section 6.1; (b) surviving confidentiality and intellectual-property obligations; or (c) any obligation that applicable law makes non-releasable.

6.4 No admission. Conversion of the relationship is not an admission by either Party regarding the proper classification of the Worker during the Prior Engagement; the Parties have agreed prospectively to an employment relationship.

7. Representations and Compliance

7.1 Authority. Each Party represents that it has the authority to enter into this Agreement and that doing so does not violate any other obligation binding on it.

7.2 Worker eligibility. The Worker will complete required onboarding, including employment-eligibility verification and tax forms, as a condition of employment.

7.3 Classification compliance. The Parties intend the post-conversion relationship to comply with applicable employment, wage-and-hour, and tax laws, which govern the rights and obligations of the relationship.

8. General Provisions

8.1 Governing law and venue. This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

8.2 Entire agreement; amendment. This Agreement, together with the offer documents and policies it references and any confidentiality agreement signed in connection with it, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

8.3 Assignment. The Company may assign this Agreement to a successor in connection with a merger, acquisition, or sale of substantially all assets. The Worker may not assign this Agreement.

8.4 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

8.5 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

COMPANY

WORKER

Signature: _____

Signature: _____

Printed name: **[NAME]**

Printed name: **[NAME]**

Title: **[TITLE]**

Title: **N/A**

Date: _____

Date: _____

Template provided by CyberSygn. Not legal advice. CyberSygn is not a law firm. Consult a licensed attorney in your jurisdiction before relying on this document.