

Date: [Insert Date]

Between:

[Agency Name]
[Agency Address]
[City, State, Zip Code]

And:

[Client Company Name]
[Client Address]
[City, State, Zip Code]

Subject: Contract-to-Hire Placement Fee Agreement

Dear [Client Contact Name],

This letter outlines the terms and fee structure regarding the placement of [Candidate Name] (the "Candidate") for the position of [Job Title] on a contract-to-hire basis starting on [Start Date].

1. Contract Phase

During the contract period, [Client Company Name] will be billed at an hourly rate of \$[Amount] per hour. This rate covers all wages, taxes, and insurance. The minimum contract duration before conversion is [Number] months/hours.

2. Conversion/Placement Fee

Should [Client Company Name] elect to hire the Candidate as a full-time permanent employee, a conversion fee shall apply based on the following schedule:

- Conversion after [Number] months: \$[Amount] or [Percentage]% of first-year annual salary.
- Conversion after [Number] months: \$[Amount] or [Percentage]% of first-year annual salary.
- Conversion after [Number] months: \$0 (No fee).

3. Payment Terms

Invoices for the conversion fee are due within [Number] days of the Candidate's first day as a permanent employee. Hourly contract invoices are billed [Weekly/Bi-weekly] and are due upon receipt.

4. Guarantee Period

If the Candidate is terminated for cause or resigns within [Number] days of permanent hire,

[Agency Name] will provide a [Percentage]% refund or a one-time replacement at no additional cost.

Please acknowledge your acceptance of these terms by signing below.

Agreed and Accepted:

[Client Authorized Representative Name]

Title: [Title]

Date: [Date]

[Agency Authorized Representative Name]

Title: [Title]

Date: [Date]