

# The PA MANUAL

Your key to working with  
licensed and unlicensed  
real estate personal assistants



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## **Unlicensed Assistant Rules**

*Set forth below is a link for the administrative rule which gives guidance as to what unlicensed assistants in real estate brokerage offices are allowed to do and what they are not allowed to do.*

The rules should provide you with some guidance on the types of activities that can be undertaken by personal assistants without having to obtain a real estate license. Remember that unlicensed assistants do not fall under the jurisdiction of the Real Estate License Act of 2000 these rules are really directed towards those licensees that use personal assistants and the tasks that they may permit unlicensed assistants to perform in assisting with the real estate brokerage business.

Thus, allowing an unlicensed assistant to engage in activities which are indicated as activities requiring a license may result in discipline against the sponsoring broker or licensee with whom the personal assistant directly works.

### **Section 1450.740 - Unlicensed Assistants**

<https://ilga.gov/commission/jcar/admincode/068/068014500G07400R.html>

## **Personal Assistants: Two Issues to Consider**

So your sponsored licensees have personal assistants. Your top licensees are pleased with the results. Their sales volume has increased, more time is available for listing calls, and clients are happy with the improved service.

### **Don't forget to pay attention to legal issues inherent in using personal assistants.**

Use of personal assistants (PA) has become very common in the industry. However, don't forget to pay attention to the legal issues inherent in using personal assistants.

This article will address two of the more important considerations in establishing that legal framework.

#### **Licensed or Unlicensed**

What activities will the personal assistants (PAs) be performing? Remember, only a licensed PA may perform licensed activities. Activities such as assisting in the negotiation of contracts, conducting open houses or showings of property, and attempting to list property for sale all require a real estate license. (Illinois Real Estate License Act of 2000, ("RELA"), Section 1-10). Examples of activities that an unlicensed PA may perform are to assemble documents for closing, take messages, write advertisements (with supervision) and place signs and advertising.

If you choose to have licensed PAs then you need to pay attention to the requirements of RELA. Remember, there is no separate class of licensure for a PA under RELA. As a result, all of the same guidelines that apply to all licensees apply to licensed PAs. It is only an internal business decision to treat a licensee as a PA. As a licensee, the PA will need to be sponsored by a sponsoring broker. (RELA, Section 5-15). Remember that the definition of "sponsorship" is a status certifying that the licensee named thereon is employed by or associated by written agreement with such sponsoring real estate broker. (RELA, Section 1-10). Thus, under RELA a licensed PA is sponsored by the sponsoring broker and not the licensee for whom the PA may work or by whom the PA is directed.

Section 10-20 of RELA and Section 1450.735 of the rules require the sponsoring broker to have a written agreement with all licensees sponsored by the broker. The agreement shall be dated, signed by the parties and shall cover the salient aspects of their relationship, including, but not necessarily limited to, supervision, duties, compensation and a termination process. This would also be true as to a licensed PA. This written contract should detail the relationship between the sponsoring broker and PA, including the responsibilities of the licensee for whom the PA works. Remember that RELA Section 10-5(c) also provides that a licensed PA employed by a sponsoring broker shall only accept compensation for licensed activities from the sponsoring broker by whom the licensee is employed. Thus, the licensed PA cannot be paid

for licensed activities by the licensee who uses that PA. The sponsoring broker also accepts ultimate responsibility for the supervision of those licensees sponsored by the broker, including PAs. (RELA, Section 10-20; Rules, Section 1450.705).

As this discussion illustrates, the decision of whether the PA should be licensed or unlicensed impacts more than the question of whether the PA can engage in licensed activities. Issues of compensation and contracting are also impacted by the RELA.

### **Employee or Independent Contractor**

With the historical precedent of real estate licensees being treated as independent contractors, the natural inclination is to treat PAs as independent contractors for tax purposes. However, this issue should be closely examined by you and your accounting and/or legal advisers.

If the PA is unlicensed it will be very difficult, if not impossible, to treat them as independent contractors. Under RELA, the unlicensed PA cannot be compensated by the payment of commissions for licensed activities. Thus, the unlicensed PA cannot meet the test for statutory non-employee which requires a real estate license and the receipt of “substantially all” of one’s compensation from sales activities in order to be treated for tax purposes as an independent contractor.

Since the statutory non-employee provisions of the Internal Revenue Code cannot be met, the unlicensed PA must meet the traditional tests for independent contractor. One of the key areas of consideration is control over the activities of the PA. The mere title, personal assistant, seems to indicate control over the activities of the PA. If the PA is intended to relieve licensees of some of their responsibilities and duties there is probably a need to retain direction and control as to hours and work to be done. These would indicate an employee relationship. If the unlicensed PA is an employee then there are obligations as to tax withholdings, including federal and state income tax, FICA, FUTA and state unemployment and workers compensation. Failure to withhold or pay these amounts may result in claims for back taxes against either the employing or sponsoring broker.

Even if your PAs are licensed you must take a close look at whether they should be treated as employees or independent contractors. To be treated as an independent contractor the PA must either qualify under traditional tests to determine independent contractor or employee status or meet the IRS statutory non-employee status of (1) having a license, (2) receiving “substantially all” (90%) of compensation from sales or other activities, other than number of hours worked, and (3) having a written contract with the broker which says the PA is not an employee and is responsible for paying their own taxes. The IRS traditional tests cover more independent contractor issues such as who trains the PA, where is the work performed, are there set hours, how is the PA paid and is there control over when, where and how the work is performed.

It is very important to carefully analyze this issue because of the potential ramifications of not properly withholding taxes or paying FICA and unemployment taxes. If you decide that a licensed PA is going to be an independent contractor or statutory non-employee a good suggestion would be that there be a written contract between the sponsoring broker and PA indicating the PA is an independent contractor and not an employee. The contract should also

provide who, the sponsoring broker or assisted licensee, is going to be responsible for compensating the PA Remember that RELA requires the sponsoring broker to pay compensation to licensees for licensed activities. If the assisted licensee is going to pay an unlicensed PA then there should also be a written contract between the assisted licensee and the PA detailing that the PA is an employee and how the PA will be compensated. In addition, it's a good idea to have a written agreement between the sponsoring broker and the assisted licensee who is responsible for the PA. [This contract should provide that the assisted licensee is responsible for all taxes, benefits, expenses and similar items related to the employment of the PA and include an indemnification of the sponsoring broker by the assisted licensee.]

## **The IRS Independent Contractor v. Employee Guidelines**

For more on this go to <https://www.irs.gov/newsroom/understanding-employee-vs-contractor-designation>.

This information is instructive for Federal income tax classification only. Other laws have different definitions of employee, such as workers' compensation, unemployment insurance, wage, and other labor related statutes. Be sure and seek legal advice on these important questions.

## **Benefits for Personal Assistants**

### **Is your PA entitled to broker-provided employee benefits?**

One of the issues surrounding the use of personal assistants (PAs) is whether or not they should receive broker-provided employee benefits. Generally, if the PAs in your office are licensed PAs who have contracts with the sponsoring broker as independent contractors, then those PAs will generally not receive any benefits other than what any licensee sponsored by the sponsoring broker might receive. However, this will change if the PAs, whether licensed or unlicensed, are treated as employees or if your PAs are unlicensed even though you treat them as independent contractors.

PAs that are treated as employees will be entitled to benefits such as workers compensation, unemployment compensation, fringe benefits granted to other employees such as vacations, sick leave days or holidays and other similar benefits. For example, you should look at the health insurance benefits, pension or profit sharing plans and disability insurance provided for employees. If those benefits are broker provided for the typical employee in your office then the PA may also be entitled to those very same benefits. You need to look at the terms of the plans you have established, such as hours worked per week or length of service, for each of those benefits to see if the PA qualifies and to any relevant tax law provisions dealing with discrimination between employees in providing these benefits.

Also, you need to be aware that even if your unlicensed PAs are being treated as independent contractors, they may still be entitled to workers compensation benefits and unemployment compensation benefits. In particular, the Illinois Workers Compensation Act includes a provision in Section 1 providing that “the term ‘employee’ does not include persons performing services as real estate broker, broker-salesman, or salesman when such persons are paid a commission only.”

Thus, the exemption which exists today under the Illinois Workers Compensation Act is not one for independent contractors but is one established for those individuals licensed under the Real Estate License Act of 2000. Similarly, the Illinois Unemployment Insurance Act in Section 217 states that “the term ‘employment’ shall not include services performed as a real estate salesman to the extent that such services are compensated for by commission.” (820 ILCS 405/217).

**Thus, unless another exemption can be found under these Acts for your unlicensed PAs, treating them as independent contractors will not allow you to avoid providing workers compensation and employment compensation benefits for those individuals.**



## Questions and Answers

**Q. Are my personal assistants covered by my Errors and Omissions (E&O) Insurance?**

No uniform answer can be given to this question. First, you need to look to the specific provisions of your policy to see what terms, if any, would provide for the coverage or lack of coverage for personal assistants. For example, your E & O policy may indicate that it provides coverage for employees and thus it would cover those personal assistants who are your employees. Second, talk to your insurance broker or insurance company in regard to this question. Make sure that you identify to your insurance broker or company whether the personal assistants are licensed or unlicensed and the types of work they would be doing. It is very important for the broker to ascertain that there is coverage for the sponsoring broker for the actions of the personal assistants, whether they be licensed or unlicensed, because the sponsoring broker may ultimately be held responsible for the actions of the personal assistants.

**Q. What is the sponsoring broker's responsibility for personal assistants?**

You really need to analyze this question on several different levels. These different levels would include responsibility under the Real Estate License Act of 2000 ("RELA"), responsibility under common law for the acts, omissions or representations of personal assistants, and whether the responsibility of the sponsoring broker varies based upon the personal assistant being an independent contractor or employee.

**Q. Could you first address the issue of responsibility under RELA?**

Yes. Under RELA the sponsoring broker is responsible for the supervision of all licensees sponsored by that sponsoring broker. Thus, if a personal assistant is licensed, the personal assistant will be a sponsored licensee of the sponsoring broker. As such, the sponsoring broker will be ultimately responsible under RELA for the supervision of that personal assistant and the failure to provide that supervision could result in disciplinary action being taken against the sponsoring broker.

If the personal assistants are unlicensed, then the sponsoring broker will not have that same responsibility of supervision under RELA. However, if those unlicensed personal assistants through their affiliation with the sponsoring broker engage in activities which would be construed as requiring a license, the sponsoring broker may be faced with disciplinary action for assisting an unlicensed person to engage in a licensed activity. Thus, the sponsoring broker cannot simply remove himself/herself/itself from a position of responsibility under RELA by having unlicensed personal assistants.

**Q. Leaving aside RELA, what is the sponsoring broker's potential common law responsibility for the acts, omissions or representations of personal assistants?**

The sponsoring broker will generally have responsibility for the acts of that broker's employees done in the course of their employment for the sponsoring broker. This would include personal assistants acting as employees. It is a general rule of law in Illinois that the employer is responsible for the acts of an employee that are performed within the scope of employment. Thus, if the personal assistant is an employee of a sponsored licensee of the sponsoring broker,

then that sponsored licensee needs to make sure that they have the necessary insurance coverage, including errors and omissions insurance, to protect from financial loss if there is a lawsuit filed as a result of the actions of a personal assistant.

If the personal assistants are treated as independent contractors, they will generally be licensed and will be sponsored licensees of the sponsoring broker. In Illinois, the sponsoring broker has generally been held to be responsible for the negligent or tortious acts of their sponsored licensees, even though they are treated as independent contractors, if those actions occurred within the course of the licensees acting as real estate brokers. However, this has not been universally true in Illinois cases.

Generally, the sponsoring broker will also be responsible for any contract action brought against the brokerage company because of the acts or representations of a licensed personal assistant.

If the actions of the personal assistant impact on the area of the civil rights of buyers or sellers or other areas similarly covered by federal statute, then the sponsoring broker could generally be responsible for the actions of the personal assistant, licensed or unlicensed, who violate those statutes.

**Q. Can I avoid this liability by having a contract with the personal assistant?**

Although there should be some type of contract that describes your relationship with the personal assistant, that contract will probably not allow the sponsoring broker to avoid liability altogether for the actions of the personal assistant. As between the sponsoring broker and the assisted licensee, the contract could spell out who is to purchase insurance and the responsibility of the assisted licensee for helping to pay for any cost of defense, or other similar types of expenses that a sponsoring broker might incur in litigation. However, that contract will generally not change the responsibility of the sponsoring broker to third parties.

**Q. Are written contracts advisable when personal assistants are used?**

There are several different types of contracts which would not only be beneficial but also required when dealing with personal assistants. These contracts may take several different forms. If the personal assistant is licensed, under RELA there must be an independent contractor/employment agreement between the sponsoring broker and the personal assistant. This independent contractor/employment agreement will specify the responsibilities and duties of the personal assistant, the benefits to be received by the personal assistant, how the personal assistant would be compensated and who would supervise the personal assistant along with any other RELA requirements.

The sponsoring broker may also want to add provisions or an addendum to the independent contractor/employment agreement of the licensee for whom the personal assistant is actually working. This addendum or amendment would detail the agreement between the sponsoring broker and the licensee as to the responsibilities of the licensee in regard to the supervision or training of the personal assistant, whether the licensee has any financial obligation as regards the payment of the personal assistant, and may include an indemnification or hold harmless

agreement from the licensee to the sponsoring broker should the licensee fail to perform as specified in the contract as it relates to the personal assistant.

If the personal assistant is working directly for the sponsored licensee, then there should be an agreement between the sponsoring broker and the sponsored licensee providing for that relationship. Again, that contract should detail at least the responsibilities of the sponsored licensee with regard to the supervision, training, and compensation of the personal assistant. The agreement between the sponsoring broker and the sponsored licensee may also require the sponsored licensee to have a written agreement with the personal assistant. The sponsoring broker may want to have a copy of the agreement between the sponsored licensee and the personal assistant in the office files in order to assure the sponsoring broker that the proper relationship has been established.

**Q. Is there a form of contract that we should be using?**

There really is no particular form of contract that you need to use. You really need to consult with your own business attorney concerning these contracts and develop an appropriate contract for your own situation. Samples of several types of contracts are included with these materials. **However, they will have to be modified to reflect your own office policies and procedures.**

**Q. There is no employment contract included. Why is that?**

First, no employment contract is included because most unlicensed PAs may have no employment contract, as is standard with most employees, or the contract is one which really needs to be tailored to your individual situation. Second, whether a licensed PA is a statutory non-employee (independent contractor) or employee will depend on the facts of your situation and the agreement may need to be tailored to fit your situation.

**Q. Can a licensed personal assistant be an employee of one of the sponsoring broker's sponsored licensees?**

No.

**Q. Can an unlicensed personal assistant be an employee of the sponsoring broker or a sponsored licensee?**

Yes. RELA imposes no constraints on an unlicensed personal assistant being an employee of a sponsored licensee.

**Q. Who actually pays the personal assistant?**

If the personal assistant is a licensee all compensation for licensed activities must be paid by the sponsoring broker. This would generally require payment to be issued by the sponsoring broker. Unlicensed personal assistants may be compensated by either the sponsoring broker or the assisted licensee. However, payment should be made by the employer of the personal assistant, whomever that may be.

**Q. I don't have a written policy on personal assistants. Do you suggest that we develop such a policy?**

Prudence dictates that you develop a written office policy concerning personal assistants. RELA requires sponsoring brokers to have written office policies anyway. This would be one subject covered.

**Q. What types of items should be dealt with in that policy?**

The following are suggestions as to the types of issues that ought to be dealt with in an office policy on personal assistants:

- (a) Whether personal assistants must be licensed;
- (b) If unlicensed assistants are to be allowed then what kinds of functions can they perform;
- (c) Who will be responsible for the training of personal assistants;
- (d) Any other particular office policies or procedures that are applicable to personal assistants, such as:
  - desk and office space assignment,
  - MLS privileges (check your local MLS rules for MLS access and lockbox privileges),
  - equipment privileges (fax machines, computers, copiers, printers, etc.),
  - advertising rules,
  - participation in sales contests and promotional programs,
  - sales meeting attendance requirements,
  - office expenses (telephone, coffee, advertising, or other monthly expenses shared by other sponsored licensees);
- (e) Any policy related to the basis for compensation of personal assistants;
- (f) Whether licensed personal assistants may advertise;
- (g) Whether personal assistants may sign documents on behalf of the sponsoring broker;
- (h) Any limitations that you would like to place upon the role of the personal assistant;
- (i) To whom the personal assistant would report (sponsored licensee or sponsoring broker); and
- (j) A policy on whether a personal assistant can be treated as an independent contractor or must be treated as an employee.

**Q. Must the personal assistants who are employees receive the same benefits as other employees of the sponsoring broker?**

In order to answer this question you need to look at your own policies and benefit plans. You may have adopted pension and profit-sharing plans as well as other fringe benefits plans the availability of which is based upon the number of years or hours of service of an individual employee. To the extent that the personal assistant qualifies under these standards, the personal assistant would also be entitled to receive those benefits.

If you are considering changing these qualifications and standards, you need to consult with your tax adviser as to the tax impact, if any, there may be upon the deductibility of fringe benefits or the qualification of a retirement plan if there is discrimination as between employees in providing those benefits. Discrimination as between employees can cause the loss of the tax benefits that would otherwise accrue from the plan.

**Q. Can I avoid having the personal assistant receive the broker-provided employee benefits by making the personal assistant an employee of the sponsored licensee?**

It is very possible that you can avoid having the personal assistant receive broker-provided employee benefits by making your sponsored licensee the employer. Typically, this will only be true for an unlicensed personal assistant. However, you must then be concerned about what secondary liability you may have if the sponsored licensee does not properly withhold for taxes or unemployment insurance or otherwise comply with state and federal requirements.

**Q. If the personal assistant is licensed, can his/her license be held at a referral or holding company (in order to avoid payment of membership dues and fees at the local board of REALTORS®), but perform unlicensed activities for the sponsoring broker of a separate but related company?**

No. RELA Section 10-20(a) and Section 1450.740 (e) in RELA Rules prohibits a licensee from acting as an unlicensed assistant for any other broker. As a result, whether the licensee is engaged in licensed activities or not, the licensee may only work for one real estate brokerage office at any given time.

**Q. May an unlicensed personal assistant make cold calls on behalf of his/her supervising licensee?**

The rules specifically provide that an unlicensed personal assistant may not make phone calls, tele market or perform other activities in an effort to solicit business on behalf of a licensee. The unlicensed PA may set appointments for the assisted licensee with existing clients but may not solicit for new business.

## Sample Contracts

**These will need to be modified to reflect your  
own office policies and procedures**

### *SAMPLE UNLICENSED ASSISTANT AGREEMENT\**

This agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, known as “Assisted Licensee”, \_\_\_\_\_, known as “Personal Assistant”, and \_\_\_\_\_, known as “Sponsoring Broker”;

WHEREAS, Assisted Licensee has advised Sponsoring Broker of Assisted Licensee’s desire to retain an unlicensed personal assistant; and

WHEREAS, Personal Assistant is interested in working for Assisted Licensee; and

WHEREAS, Assisted Licensee will be the employer of the Personal Assistant.

For and in consideration of their mutual promises and covenants, the parties agree as follows:

1. Personal Assistant represents that they will be an employee of Assisted Licensee.
2. Personal Assistant agrees they will not be considered as an employee, associate or independent contractor of Sponsoring Broker. Assisted Licensee and Personal Assistant acknowledge that permission has been granted for Personal Assistant to utilize space in Sponsoring Broker’s sales office solely for the convenience of Assisted Licensee.
3. Assisted Licensee and Personal Assistant agree that Sponsoring Broker is not responsible for Personal Assistant’s earnings, withholdings, Workers’ Compensation, unemployment insurance or any of the other employee benefits and/or obligations normally existing between and employer and employee.
4. Assisted Licensee and Personal Assistant agree that Sponsoring Broker will not be held liable for any expenses or any unpaid compensation, employment-related claims, insurance claims, benefit claims, legal defense, or any other obligations that might arise because of Personal Assistant’s association with Assisted Licensee. All payment due Personal Assistant for services, costs, reimbursement, or any other reasons must be paid to Personal Assistant directly by Assisted Licensee and shall not be paid by Sponsoring Broker.
5. Assisted Licensee and Personal Assistant agree to hold Broker harmless for any loss, injury or damage to Personal Assistant, Personal Assistant’s property or any

third party as a result of Personal Assistant's services or activities on or off Sponsoring Broker's premises.

6. Assisted Licensee and Personal Assistant agree that Personal Assistant will not be used to provide services for any activities which require a real estate license under the Real Estate License Act of 2000 as from time to time amended. Attached hereto is a list of those services approved for unlicensed assistants by the Illinois Department of Financial and Professional Regulation. Personal Assistant and Assisted Licensee acknowledge that they have read this list and agree that Personal Assistant will not engage in any activity which is not listed as a permitted unlicensed activity without first getting prior written permission from Sponsoring Broker. (See Rules Section 1450.740 for list.)
7. Assisted Licensee and Personal Assistant also acknowledge that Sponsoring Broker's consent to this arrangement is subject to change or revocation at any time.
8. Assisted Licensee agrees to provide Sponsoring Broker with such information as Sponsoring Broker requests from time to time to assure itself that Assisted Licensee is complying with the terms of this Agreement.
9. Assisted Licensee agrees to secure errors and omission insurance and general liability insurance covering the actions or omissions of Personal Assistant. Assisted Licensee agrees to provide Sponsoring Broker with certificates of insurance or copies of policies evidencing this insurance.

\_\_\_\_\_  
Name of Sponsoring Broker

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Personal Assistant

\_\_\_\_\_  
Assisted Licensee

*\*NOTE: This Agreement is for use only when the Personal Assistant is unlicensed and will be employed by the licensee for whom the Personal Assistant is working. This Agreement is not an employment agreement but an agreement between the Sponsoring Broker, Assisted Licensee and unlicensed Personal Assistant providing for the fact that the Assisted Licensee will be the employer. No separate employment agreement between the Assisted Licensee and unlicensed Personal Assistant would be required by the Real Estate License Act of 2000.*

*SAMPLE*

*AGREEMENT FOR PERSONAL ASSISTANT\**

This agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, known as “Assisted Licensee”, \_\_\_\_\_, known as “Personal Assistant”, and \_\_\_\_\_, known as “Sponsoring Broker”, for the purpose of providing the framework to allow for the retention of a personal assistant.

WHEREAS, the Assisted Licensee is interested in retaining the assistance of a person in the business of real estate sales; and

WHEREAS, the Personal Assistant is interested in assisting the Assisted Licensee in the conduct of the Assisted Licensee’s real estate sales business; and

WHEREAS, Sponsoring Broker is the sponsoring broker for both Assisted Licensee and the Personal Assistant.

For and in consideration of their mutual promises and covenants, the parties agree as follows:

1. Assisted Licensee, Personal Assistant and Sponsoring Broker acknowledge that each are duly licensed in the State of Illinois as real estate brokers or managing brokers. Assisted Licensee and Personal Assistant acknowledge and represent that they are “qualified real estate agents” under Section 3508 of the Internal Revenue Code. All parties agree that each will maintain their real estate license on an active basis for the duration of this agreement.
2. Assisted Licensee and Personal Assistant acknowledge that each of their licenses is sponsored by Sponsoring Broker and that each will conduct real estate sales activity in the name of Sponsoring Broker and on behalf of Sponsoring Broker.
3. Pursuant to a separate agreement between Personal Assistant and Assisted Licensee, Personal Assistant has agreed to assist, aid and work with Assisted Licensee for the purpose of listing and selling real estate. Personal Assistant agrees not to conduct business in their own name and that any personal leads, contacts, customers, or clients of Personal Assistant will be handled in the name of Assisted Licensee and assisted by Personal Assistant.
4. Sponsoring Broker agrees to compensate Personal Assistant by splitting the commissions or other amounts due Assisted Licensee on the basis of the agreement between Assisted Licensee and Personal Assistant. Assisted Licensee agrees to furnish Sponsoring Broker a copy of a written agreement between Assisted Licensee and Personal Assistant specifying their relationships and the amount or percentage of each commission to be paid to Personal Assistant. If the amount or percentage agreed to by Assisted Licensee and Personal Assistant changes,



Assisted Licensee must furnish the Sponsoring Broker a copy of the written agreement or amendment which changes such compensation. Assisted Licensee and Personal Assistant agree that all compensation to Personal Assistant for any activities of Personal Assistant which require a real estate sales or broker license shall be paid only by the Sponsoring Broker.

5. On all transactions originated by the Assisted Licensee or Personal Assistant, the amount of commission that is split or shared with Personal Assistant will be credited only to Assisted Licensee for purposes of calculating any additional compensation, bonus, or other award/bonus programs, as those programs may be constituted by Sponsoring Broker or others at any given time.
6. Assisted Licensee, Personal Assistant and Sponsoring Broker agree that this agreement is supplementary to the independent contractor agreements signed by Assisted Licensee with Sponsoring Broker and by Personal Assistant with Sponsoring Broker. Consistent with those agreements, Assisted Licensee, Personal Assistant and Sponsoring Broker agree and provide that the relationship defined in those agreements and the relationship defined in this agreement shall be one of independent contractor and Assisted Licensee and Personal Assistant shall not be considered employees of Sponsoring Broker and that the parties intend that Assisted Licensee and Personal Assistant are qualified real estate agents under Section 3508 of the Internal Revenue Code. Further, Assisted Licensee and Personal Assistant agree, consistent with the terms of their separate agreements, that their relationship shall be one of independent contractor and that Personal Assistant shall not be considered the employee of Assisted Licensee.
7. Assisted Licensee agrees to be responsible for the supervision and direction of Personal Assistant in the performance of all licensed activities. Assisted Licensee agrees to indemnify and hold Sponsoring Broker harmless for any and all fines and penalties assessed by the appropriate licensing authority against the Sponsoring Broker for failure to provide adequate supervision to the Personal Assistant or for the violation by the Personal Assistant of the provisions of the Real Estate License Act of 2000, as from time to time amended, and the rules promulgated pursuant to that Act.
8. This agreement shall be terminated under the following conditions:
  - a. Assisted Licensee fails to maintain an active real estate license in Illinois.
  - b. Personal Assistant fails to maintain an active real estate license in Illinois.
  - c. Assisted Licensee and/or Personal Assistant are no longer sponsored by Sponsoring Broker.
  - d. Any party gives written notice to any other party that the agreement is terminated.

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Name of Sponsoring Broker

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Personal Assistant

\_\_\_\_\_  
Assisted Licensee

*\*NOTE: This is a sample three-way agreement between the Sponsoring Broker, the Personal Assistant and the Licensee the Personal Assistant will assist. The provisions of this sample agreement may need to be modified to fit your office policies and practices. This agreement assumes the Personal Assistant is licensed and an independent contractor. Other agreements needed will be an agreement between the Personal Assistant and the Assisted Licensee and the usual form of independent contractor agreement between the Assisted Licensee and the Sponsoring Broker and the Personal Assistant and Sponsoring Broker. A written employment agreement of independent contractor agreement between a licensed Personal Assistant and Sponsoring Broker is required by RELA whether the licensed Personal Assistant engages in licensed activities or not (Section 10-20 (c)).*

*SAMPLE*

*AGREEMENT FOR PERSONAL ASSISTANT\**

This agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, known as “Assisted Licensee” and \_\_\_\_\_, known as “Personal Assistant” for the purpose of providing the framework to allow the parties to work in conjunction with each other in the real estate brokerage business.

WHEREAS, the Assisted Licensee wants to retain the assistance of a person in the business of real estate sales; and

WHEREAS, the Personal Assistant is interested in assisting the Assisted Licensee in the conduct of the Assisted Licensee’s real estate sales business;

For and in consideration of their mutual promises and covenants, the parties agree as follows:

1. Assisted Licensee and Personal Assistant acknowledge that each are duly licensed in the State of Illinois. Assisted Licensee and Personal Assistant acknowledge and represent that they are “qualified real estate agents” under Section 3508 of the Internal Revenue Code. All parties agree that each will maintain their real estate license on an active basis for the duration of this agreement.
2. Assisted Licensee and Personal Assistant acknowledge that both of their licenses are sponsored by \_\_\_\_\_ (Sponsoring Broker) and that they will conduct real estate sales activity in the name of Sponsoring Broker in an independent contractor relationship as qualified real estate agents under Section 3508 of the Internal Revenue Code.
3. Personal Assistant agrees to assist, aid and work with Assisted Licensee for the purpose of listing and selling real estate. Personal Assistant agrees not to conduct business in his/her own name and that any personal leads, contacts, customers or clients of Personal Assistant will be handled in the name of Assisted Licensee.
4. Personal Assistant agrees that he/she will be compensated by Sponsoring Broker splitting commissions due Assisted Licensee on the basis of this agreement. On transactions originated by the Assisted Licensee, Assisted Licensee and Personal Assistant agree that Personal Assistant will receive \_\_\_\_\_ of every commission earned from a sale of listing of Assisted Licensee. On transactions originated by the Personal Assistant, Assisted Licensee and Personal Assistant agree that Personal Assistant will receive \_\_\_\_\_ of the total commission due an agent from Sponsoring Broker per Sponsoring Broker’s then published commission schedule for sale or listing. Assisted Licensee and Personal Assistant must notify Sponsoring Broker in writing of the originating agent on each transaction of the parties. Assisted Licensee and Personal Assistant agree that all

compensation to Personal Assistant for any activities which require a real estate license shall be paid only by Sponsoring Broker. The parties agree that a copy of this agreement shall be furnished to Sponsoring Broker.

5. On all transaction originated by the Assisted Licensee or Personal Assistant, the amount of commission that is split or shared with Personal Assistant will be credited only to Assisted Licensee for purposes of calculating any additional compensation, bonus, or other award/bonus programs, as those programs may be constituted by Sponsoring Broker or others at any given time.
6. Assisted Licensee and Personal Assistant specifically agree that this agreement is supplementary to the Sponsoring Broker-Sponsored Licensee Agreement and Agreement for Personal Assistant signed by Assisted Licensee, Personal Assistant and Sponsoring Broker. Consistent with those agreements, Assisted Licensee and Personal Assistant agree and provide that the relationship defined in those agreements and the relationship defined in this agreement shall be one of independent contractor and Assisted Licensee and Personal Assistant shall not be considered employees of Sponsoring Broker and that the parties intend that Assisted Licensee and Personal Assistant are qualified real estate agents under Section 3508 of the Internal Revenue Code. Further, Assisted Licensee and Personal Assistant specifically agree under the terms of this agreement, that their relationship shall be one of independent contractor, that Personal Assistant shall not be considered an employee of Assisted Licensee and that Personal Assistant shall be a qualified real estate agent under Section 3508 of the Internal Revenue Code.
7. Assisted Licensee agrees to be responsible for the supervision and direction of Personal Assistant in the performance of all licensed activities.
8. This agreement shall be terminated under the following conditions:
  - a. Assisted Licensee fails to maintain an active real estate license in Illinois
  - b. Personal Assistant fails to maintain an active real estate license in Illinois.
  - c. Assisted Licensee and/or Personal Assistant are no longer licensed with Sponsoring Broker.

- d. Any party gives written notice to the other party that the agreement is terminated.

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Assisted Licensee

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Personal Assistant

*\* NOTE: This is a sample two-way agreement between the Personal Assistant and the Licensee that the Personal Assistant will assist. The provisions of this sample agreement may need to be modified to fit your office policies and practices. This agreement assumes the Personal Assistant is licensed and treated as an independent contractor. Other agreements needed will be an agreement between the Personal Assistant, the Assisted Licensee and the Sponsoring Broker and the usual form of independent contractor agreement between the Assisted Licensee and the Sponsoring Broker and the Personal Assistant and Sponsoring Broker. A written employment agreement or independent contractor agreement between a licensed Personal Assistant and the Sponsoring Broker is required by RELA whether the licensed Personal Assistant engages in licensed activities or not (Section 10-20 (c)).*

# NOTES



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