

Employment Termination & Severance Agreement

🔊 The first part of the Memorandum should be completed and distributed to the Employee along with a copy of the Employment Termination and Severance Agreement.

Date: [Month, Day, Year]

To: [Name of Employee]

From: [Owner/Founder]
[Company]

Subject: **Employment Termination & Severance Agreement**

Attached is an Employment Termination & Severance Agreement to establish the legal obligations related to your employment termination.

I believe that it embodies everything we discussed.

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.

Thank you very much!

From JIAN

NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🚫 **Do Not Use This Agreement 'As-Is.'**
- 🚫 **This Agreement Is Not Legal Advice.**
- 🚫 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🚫 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🚫 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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
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Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

Employment Termination & Severance Agreement

 This is a standard introductory paragraph that lists the date and the parties to the Agreement.


The following is an Agreement between the undersigned Employee and [Company], regarding the termination of employment with [Company].

Effective Date **[Date]**

Employee **[Employee Name]** (Employee, 'you', 'your')


Employer **[Company Legal Name]** (“[Company]”)
a [State] [Corporation, Partnership, LLC]
Located at [Address]
 [City], [State] [Zip Code]

1. Employment Termination

 Section 1 sets the effective date for termination of employment. The Employer also agrees to pay the Employee all amounts due to the Employee as of the effective date, including compensation for unused vacation time in an amount to be filled in by the Employer.

Your regular employment with [Company] will terminate as of the Effective Date above. On that date you will be paid all wages or salary then due to you, and you will also be paid for all accrued, but unused vacation. The gross amount payable for your unused vacation is \$[x].

2. Severance

 Section 2 establishes the severance payment amount and how it is to be paid. It also states that the Employer agrees to pay the Employee regular severance plus an additional amount for the Employees general release of claims against the Employer (see Section 10). You can omit any extra severance payment as well as the release provision if they do not apply. You will need to fill in the gross dollar amount of the severance payments and the number of weeks of compensation the payment represents.\

You understand that [Company]’s regular severance policy provides for [List total weeks] weeks severance. However, in consideration for the promises and general release of claims contained herein, [Company] will pay you post-termination severance equal to [List total weeks] week(s) of your salary as of the date of your termination, less appropriate deductions for federal and state withholding and other applicable taxes and deductions. The gross amount of such severance payments is \$[x]. All severance amounts due under this section shall be paid to you as follows:

3. Payments

☞ The following section sets the payment intervals and the amount of each payment.

[x]% of said severance shall be paid in equal installments over a period of [List total weeks] weeks on [Company]'s regularly scheduled paydays; and

4. Final Payment

☞ Section 4 sets the date and amount of the last severance payment.

[x]% of said severance shall be paid on [Month, Day, Year], one month after the last of your [List total weeks] weekly installments.

5. Health Benefits

☞ If the Employer has a health insurance policy, the Employee can obtain the same health coverage through a COBRA Plan. Section 5 notifies the Employee of this right.

You are eligible to extend your health benefits pursuant to [Company]'s COBRA extension plan.

6. Group Disability Enrollment

☞ The next two sections are optional and can be included if the Employer has a group insurance plan (Section 6) or an early retirement plan (Section 7).

[Optional] You will remain enrolled (at [Company]'s expense) in all of [Company]'s group insurance plans through [Date], except for group long-term disability.

7. Early Retirement

[Optional] You will be entitled to elect early retirement and receive any payments due you under the terms of the [Name of plan] in accordance with the terms of that plan. You must make your election by [Date].

8. Confidentiality

☞ Section 8 should be used if the Employee has previously signed a Confidentiality or Non-Disclosure Agreement. If so, then the Employer should list the items that the Employee is obligated to keep confidential even after termination.

You have previously signed an Invention and Confidentiality Agreement with [Company]. Included among the materials [Company] considers to be trade secrets or otherwise confidential, and thus covered by that Invention and Confidentiality Agreement, and that you agree not to disclose to anyone else without [Company]'s written consent signed by a company officer, are [Describe, for example, customer lists, names and addresses of contacts for [Company]'s customers].

9. Consulting

☞ This next section should be used if the Employee is to provide consulting services after termination. The Employee agrees to provide consulting services as part of the severance Agreement, for a certain period that you will have to specify. Also, the Employee agrees not to provide services to a competitor of the Employer.

[Optional for more senior, key or long service Employees] In return for the severance payments above, you have also agreed, subject to reasonable notice from [Company], to provide consulting services to

[Company] for a period of [List total weeks] weeks commencing on [Date], and ending [Date]. You agreed further that during said period, you will not engage in work for any competitor for [Company]. You also agree that you will not, in any way, do or say anything at any time which might harm the business interests of [Company] or any of its affiliated companies.

10. Release & Hold Harmless

🔊 Section 10 is a mutual general release provision in that the Employee and the Employer agree to release each other from legal claims one may have against the other. The last sentence of this section refers to statutory language that most states require for a general release to apply to unknown claims that may arise in the future. Consult your state law for the correct language to use. Also, take a look at the Release Agreement included in AgreementBuilder for more details on release Agreements.

In consideration of the foregoing, you hereby release and discharge [Company] and its officers, directors, stockholders, Employees, agents, subsidiaries and affiliates from any and all claims, demands or liabilities whatsoever, whether known or unknown or suspected to exist by you, that you ever had or may now have against [Company], or any of them, including, without limitation, any claims, demands or liabilities in connection with your employment with [Company] and the termination of that employment, or pursuant to any federal, state, or local employment laws, regulations, executive orders, or other requirements, and [Company] hereby releases and discharges you from any and all claims, demands and liabilities whatsoever, whether known or unknown or suspected to exist by [Company], that [Company] ever had or may now have against you, including, without limitation, any claims, demands or liabilities in connection with your employment with [Company] and the termination of that employment. In giving this general release to each other, you and [Company] each specifically waives the provisions of section [Enter section of Civil Code] of the [State] Civil Code (and any similar provision of other applicable law), which section reads as follows:

- A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

11. Recourse

🔊 This next section is an escape clause for the Employer. Basically, if you violate the confidentiality provision, the release provision or, the consulting provision, the Employer can revoke any severance payments.

It is understood that if you violate any of your commitments under Sections 8, 9 and 10, [Company] may discontinue part or all of the post-termination severance it is hereby agreeing to pay to you, in addition to exercising all other rights it may have under the law.

12. Entire Agreement

🔊 Section 12 states that this Agreement is the entire Agreement relating to termination and severance.

It is expressly understood that there is no Agreement or understanding between you and [Company] about or pertaining to the termination of your employment with [Company], or [Company]'s obligations to you with respect to such termination, except what is stated in this Agreement.

Understood, Agreed & Accepted

🔊 This last section confirms that the Employee agrees to comply with the terms of this Agreement.

The Employee declares that s/he has read the foregoing and agrees to the conditions and obligations set

forth in this Agreement

[Employee Name]

[Owner/Founder]

Witness