

Negotiating Severance Agreements - Twenty Starting Points to Protect Your Rights

If you are facing a termination from work, the following checklist is a starting point of issues you should consider prior to entering negotiations. Almost all severance agreements have a clause that the employee has the right to review the agreement for at least fourteen days and the right to an attorney. Given the stress of a job change, it is imperative you know your rights prior to entering a contract.

Here is a 20 Starting Points Checklist for Negotiating Severance Agreements:

1. SHOULD YOU SETTLE OR SHOULD YOU SUE?
2. ENSURE THAT THE TERMS OF YOUR SEVERANCE AGREEMENT WILL REMAIN CONFIDENTIAL.
3. SECURE A NEUTRAL REASON FOR YOUR TERMINATION.
4. OBTAIN A POSITIVE LETTER OF REFERENCE FROM YOUR FORMER EMPLOYER.
5. SANITIZE YOUR EMPLOYEE PERSONNEL FILE.
6. NEGOTIATE THE RETENTION OR RETURN OF COMPANY PROPERTY.
7. DO NOT AGREE TO A NON-COMPETE CLAUSE THAT IS

UNREASONABLE.

8. NEGOTIATE THE FORM AND AMOUNT OF YOUR SEVERANCE PAY AND ENSURE THAT YOUR EMPLOYER PAYS ALL OF YOUR EARNED WAGES AND COMMISSIONS.

9. DISCUSS YOUR PENSION/401K OPTIONS.

10. NEGOTIATE THE EXERCISE OF YOUR STOCK OPTIONS.

11. SECURE YOUR ACCRUED PAID VACATION TIME.

12. NEGOTIATE FOR ACCRUED SICK LEAVE.

13. NEGOTIATE PURCHASE, LEASE, OR RETURN OF COMPANY CAR.

14. DISCUSS CONTINUATION OF ANY MISCELLANEOUS BENEFITS.

15. CONSIDER A CONSULTING AGREEMENT.

16. CONSIDER TAX TREATMENT OF FUNDS RECEIVED IN SETTLEMENT OF EMPLOYMENT DISCRIMINATION CLAIMS.

17. DO NOT SIGN A RELEASE THAT OFFERS YOU NO PROTECTION.

18. INCLUDE AN INTEGRATION CLAUSE IN YOUR SEVERANCE AGREEMENT.

19. DISCUSS UNEMPLOYMENT BENEFITS OPTIONS

20. PROVIDE FOR THE CONTINUATION OF YOUR HEALTH
INSURANCE/COBRA BENEFITS