

Severance / Separation Packages

If you have received a severance document or separation package it is important that it be reviewed prior to your execution. Severance packages are legal documents that must be understood prior to signing and returning them to your employer even if they appear simply written.

There are a number of factors that should be considered prior to your signing a severance agreement. A few examples are:

- (1) How long do you have to sign the agreement? This time period may be dependent upon your age and also if the separation is considered a one-off (meaning just you) or a mass layoff (multiple employees).
- (2) Will the payments be made to you in lump sum or over time?
- (3) Will your health benefits continue? Will you receive your bonus?
- (4) If you were relocated, will you be returned to your original location?
- (5) What happens if you receive another job? Will your severance continue?
- (6) Is your severance mitigated by any other monies received – unemployment benefits? Salary or consulting payments?
- (7) Does the severance package include provisions such as a non-compete, non-disclosure, confidentiality?
- (8) Is the release of claims provision mutual?

Many employees faced with a severance package will quickly sign and return the document(s) so that they ensure continuation of salary. They will receive pressure from the employer to sign the papers right away. They will be told by the employer that no modifications can be made. This may not

always be true.

In receiving a severance package there is a key question to consider – *Why was I selected to be severed from the company?* Even if the company is undergoing a mass layoff, this question is still pertinent, as there may be a reason that you were selected for termination over another employee. Why? Did you report discrimination? Did you refuse to engage in impropriety? Our firm will help you determine if there was an improper reason that you were selected to be let go.

A severance package should be reviewed even if you think you are comfortable with the offer. It is important that you understand the obligations within. Generally, severance packages are one-sided in favor of the employer. By signing a separation agreement you are releasing your right to bring any future claims against the company. In exchange for doing so, you are paid a certain amount of money. However, there may be other restrictions attached that you were not expecting, may be unnecessary and can be eliminated through negotiation.

If you are interested in having your severance package reviewed to understand your rights and the document(s) itself, please contact our office. We understand that you must respond to a severance document in a timely fashion and are able to promptly review and respond to your concerns.

We are also available to assist you in requesting and/or negotiating different terms and/or language in the severance agreement. The goal of severance is that the parties are able to part ways. The employee receives some benefits (money, benefits, etc.) while the employer receives a release of claims and possibly a non-compete and confidentiality.

Remember, signing a severance agreement may have an impact on your future and your ability to obtain future employment. It should not be taken lightly, but should be reviewed by a legal professional familiar with these documents. We have much

experience in reviewing and negotiating these documents and available to help you so that you do not have to try and maneuver this process alone.

If you are interested in having us assist you with this process, please contact our office to schedule a time to speak.