

## Laceys Guide to Settlement Agreements

### **What is a Settlement Agreement?**

Settlement agreements are used to record what an employer and employee have agreed about the ending of employment. They are common, but every employee will have different needs and concerns.

An employee will also be giving up very important rights. That is why the law requires an employee to receive independent legal advice on a settlement agreement before agreeing.

### **Why do I need to seek Independent Legal Advice?**

Due to the significant rights that an employee is giving up by agreeing to a settlement agreement, it is very important that specialist legal advice is provided first. Laceys has specialist and experienced employment solicitors who can help.

It is very important to get specialist advice if your employer is putting you under pressure to sign an agreement or if you have not been consulted about ending your employment.

### **What will I have to pay?**

It is expected that an employer will contribute to the costs of an employee receiving legal advice on a settlement agreement. Employers vary in the amount that they will pay.

Laceys will be clear from the start about costs and whether or not the employer's contribution will cover our costs. If not, we will help you make a decision and what options you have.

### **If you have been offered a settlement agreement here are Laceys top 5 points you should consider before signing;**

1. Could the wording of a reference cause you problems when applying for a new job?
2. What is it that is said to be 'confidential' and is this fair and possible to agree to?
3. Are you restricted in who you can work for and where – should you agree?
4. Are you agreeing to do anything which is outside your control?
5. Are any of the clauses uncertain or the consequences potentially unknown?

### **How to get in touch with us;**

If you would like further advice on a settlement agreement please contact Alana Penkethman in confidence on 01202 377872 or email [a.penkethman@laceyssolicitors.co.uk](mailto:a.penkethman@laceyssolicitors.co.uk)

This fact sheet provides information and comments on legal issues, however the contents of this fact sheet do not constitute legal advice, is not a comprehensive treatment of the subject matter covered, and should not be relied on as such. Legal advice should be sought about your specific circumstances before taking any action with respect to the matters discussed.