

Settlement Agreements



What is a Settlement Agreement?

One way that an employment dispute can be settled between employees and employers is through a binding Settlement Agreement (formerly known as a Compromise Agreement).

These agreements are usually designed to terminate an employee's employment in return for a payment or other benefit.

Why do I need a Solicitor?

The wording of such agreements is often complex and legalistic. It goes without saying that if you are offered a Settlement Agreement you need to fully understand the document before you can sign it. The law therefore says that a Settlement Agreement will not be legally binding unless an independent solicitor or adviser has advised the employee about the terms and effect of the agreement.

We have years of experience advising on such agreements.

What does a Settlement Agreement cover?

Settlement Agreements often settle all actual or potential legal claims that an employee may have against an employer connected to the employee's employment or the fact that it is ending, such as unfair dismissal or discrimination claims. They also usually waive claims that might arise in the future. We can advise about the types of claim that should be excluded from the scope of the Settlement Agreement

There are also often other complex and detailed obligations about which you will need expert, independent advice.

What terms should you look for in the Settlement Agreement?

Be careful what you sign.

Settlement Agreements can be very complex. What appears to be straightforward might have legal consequences that you are not aware of – but if you sign the agreement, you will have to live with them.

We take the stress out of the process for you. We look for the drafting errors and the unintended consequences that you might miss.

Are all obligations mutual? Does your employer need to treat you the same way you are expected to treat them?

Is a reference part of the deal? How important might it be in the future? What are your rights in this regard?

What warranties are you expected to give? How will they affect you a year from now?

We can advise on all these things and we promise to explain them all in plain English.

How much will a Solicitor cost?

In most cases an employer will pay the employee's legal fees for obtaining advice about the Settlement Agreement.

How long does it take to finalise one?

Timescales vary for completion. Payments and benefits are usually provided to the employee within 7 to 21 days of the Settlement Agreement being completed.

We understand that sometimes Settlement Agreements need to be finalised quickly and because of its size, experience and the use of the latest technology, our employment team is able to provide detailed advice and assistance urgently and at short notice.

Get the right advice

We are a law firm for individuals. Having represented private clients, trade union members and staff association members for over 100 years we have extensive experience in giving advice to individuals on all aspects of employment law, including Settlement Agreements. Our clients are employees across a broad spectrum of industries, within small local businesses, public authorities, national bodies and the largest corporations. This experience means we know what to look for in a Settlement Agreement, relevant to your industry, profession or specialised area of work.



To make an appointment with one of our solicitors,
either in person or over the telephone, please contact:

Daniel Kindell

T: 033 3344 9600

E: daniel.kindell@morrishsolicitors.com

