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SETTLEMENT AGREEMENT

(Made under the Employment Rights Act 1996)

This Agreement is made on

_____ [Date]

BETWEEN:

(1) _____ [Full legal name of the Employer]

of

_____ [Registered address of the Employer]

("the Employer")

and

(2) _____ [Full name of the Employee]

of

_____ [Address of the Employee]

("the Employee")

RECITALS

A. The Employee has been employed by the Employer since _____ [Employment start date] under a contract of employment dated _____ [Date of employment contract].

B. The parties wish to terminate the Employee's employment on mutually agreed terms and intend this Agreement to be legally binding and to satisfy the conditions regulating settlement agreements under the Employment Rights Act 1996.

TERMS OF AGREEMENT

1. Termination Date

The Employee's employment with the Employer shall terminate on _____ [Termination date] ("the Termination Date").

2. Settlement Payment

The Employer agrees to pay the Employee the gross sum of £_____ [Settlement amount] as compensation for the termination of employment, subject to the following:

£_____ [Amount] will be paid free of tax under section 403 ITEPA 2003 (if applicable).

£_____ [Amount] will be subject to tax and National Insurance contributions.

3. Notice and Holiday Pay

The payment in clause 2 includes payment in lieu of notice.

The Employer will separately pay £_____ [Amount] in lieu of unused holiday entitlement accrued up to the Termination Date.

4. Legal Fees

The Employer agrees to contribute up to £_____ [Amount] plus VAT towards the Employee's legal fees in connection with this Agreement, payable directly to:

_____ [Name of legal adviser or firm]

5. Waiver of Claims

The Employee agrees to waive all and any claims they may have against the Employer arising out of their employment or its termination, including (but not limited to) claims for:

Unfair dismissal

Wrongful dismissal

Discrimination

Breach of contract

Redundancy pay

6. Conditions under the Employment Rights Act 1996

This Agreement satisfies the conditions regulating settlement agreements under section 203 of the Employment Rights Act 1996, in that:

The Agreement is in writing.

The Agreement relates to particular complaints or proceedings.

The Employee has received independent legal advice.

The legal adviser has insurance or indemnity cover.

The Agreement identifies the adviser.

The Agreement states that the conditions are met.

7. Confidentiality

The Employee agrees to keep the terms of this Agreement and the circumstances concerning the termination of their employment strictly confidential, except where disclosure is required by law or made to immediate family or professional advisers.

8. Non-Derogatory Statements

Both parties agree not to make any derogatory or defamatory statements about each other.

9. Return of Property

The Employee confirms that they have returned or will return all company property (including documents, devices, keys, and data) by _____ [Date or "the Termination Date"].

10. Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes all prior discussions and agreements.

11. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales.

Signed by the Employer

[Name and Title]

_____ [Date]

Signed by the Employee

[Name]

_____ [Date]

Signed by the Employee's Legal Adviser

I confirm that I have advised the Employee on the terms and effect of this Agreement, and that I meet the conditions required under section 203 of the Employment Rights Act 1996.

[Name of Legal Adviser]

_____ [Name of Law Firm / Organisation]

_____ [Date]

This document is provided as a general sample only and does not constitute legal advice. You should consult with a qualified solicitor in the United Kingdom to ensure it is appropriate for your specific situation and complies with applicable legislation.