

- DISCLAIMER -

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HAVING A JOB

SAMPLE EMPLOYMENT TERMINATION CONTRACT

Most employees are familiar with employment contracts, which cover all the issues of the job and the employee's and employer's rights and responsibilities. Sometimes the parties also have a contract that covers just the end of the employment relationship. It includes some of the issues covered in the employment contract plus additional obligations or benefits the parties negotiated at termination. It might also contain a "release" by the employee of any claim he or she might otherwise have against the employer, in exchange for a nice severance package. You might find that an employment termination contract is the best way to protect yourself as you leave one job and start another.

TERMINATION CONTRACT

Employer **[name of company]** and Employee **[employee's name]** hereby agree to this Termination Contract.

Employee and Employer had an employment agreement from **[start date]** to **[termination date]**, in which they agreed that they would resolve any employment dispute as follows **[method of dispute resolution, such as arbitration, and/or choice of law]**.

Employee hereby agrees and obligates **[himself/herself]** to the following:

1. Employee will not engage in any competition with Employer for the period of **[duration of noncompetition agreement, such as one year]**, which includes employment with another company in the same or similar business as Employer, establishment of a new company in the same or similar business as Employer, or any contractual arrangement under which Employee consults, advises, or assists another company in the same or similar business.
2. Employee will not engage in conduct or make statements relating to **[his/her]** employment or this Termination Contract that can be construed as critical or derogatory of Employer its employees, agents, partners, shareholders, officers, directors, and affiliated companies.
3. Employee releases and discharges all claims, complaints, charges, disputes, and demands against Employer and its employees, agents, partners, shareholders, officers, directors, and affiliated companies, except for claims, complaints, charges, disputes, or demands that could arise from a breach of this Termination Contract, such as claims for back pay, front pay, damages, and fees such as attorneys' fees, that could arise from federal or state employment laws or from any conduct by Employer. Employee has had the opportunity to consult with **[his/her]** attorney and is aware of **[his/her]** legal rights, but knowingly and voluntarily waives those rights to the extent possible under law.
4. Employee will not share, divulge or disclose any information about Employer or its employees, agents, partners, shareholders, officers, directors, and affiliated companies that Employee knows is confidential or is considered a trade secret, trademark, service mark, trade name, patent, or copyright, including information or a product invented or developed by Employee during **[his/her]** employment with Employer.
5. Employee has surrendered to Employer paper and electronic copies of all letters, memoranda, documents, records, and other material that is the property of Employer. Employee has also surrendered to Employer all other tangible property of Employer, including keys, products, charge cards, telephones, pagers, computer and other equipment, and vehicles.
6. Employee will not share, divulge, or disclose the provisions of this Termination Agreement except to Employee's family, agents, representatives, or advisors, or to the extent required by law.

Employer and Employee further agree that in consideration for the above agreements and promises, Employer will pay Employee as follows: **[terms of severance payment, such as lump-sum amount or payment schedule]**. Such severance payment constitutes the entire obligation of Employer to Employee.

Employer and Employee further agree that in the event of any breach of this Termination Contract or default hereunder, the injured party has the right to pursue any legal action available to enjoin the breaching party from further injurious conduct and/or to recover from the breaching party damages for such breach or default.

Dated:

Signed: