

Redundancies: Should you use a settlement agreement?

In this current economy, many businesses are being required to make difficult decisions about their employees in efforts to control costs and ensure their business remains stable. If you are considering making redundancies, your business always faces the risk of disgruntled employees bringing a claim in the employment tribunal suggesting what you did was unfair.

One of the best ways to ensure that risks are kept to a minimum is to consider offering your employees a settlement agreement (often referred to by its old name, compromise agreement).

This is a legal document for which, in exchange for you agreeing to pay the employee an agreed sum, they would waive their rights to bring any claims against you. They are required to take legal advice, which it is customary for you to contribute to the costs of, but which helps ensure it is binding.

If this is something that could be useful for your business to consider, our team at Steeles Law are experienced in assisting companies with advising on and drafting settlement agreements.

We can assist you with:

1. Drafting the settlement agreement;
2. Advising you on which clauses to include to best protect your business;
3. Advising you on how to raise the agreement with employees in a way that best protects you;
4. Liaising with the lawyer which the employee instructs over any amendments;

Contact us

If you have further questions regarding any of the points raised regarding settlement agreements or you wish to speak to a member of the Employment team, please do not hesitate to call 01603 598000 or email employment@steeleslaw.co.uk.