

# EMPLOYEE SEVERANCE NEGOTIATION CHECKLIST

Before you sign any separation agreement, use this checklist to ensure you are protecting your rights and maximizing benefits.

## 1. GATHER YOUR DOCUMENTS

- The Agreement:** The proposed draft severance agreement.
- Employment Contracts:** Original offer letter & any subsequent agreements relevant to exit.
- Benefits Info:** Health insurance, 401(k), and stock option plans.
- Performance Records:** Evaluations (especially if termination was for cause)
- Timeline:** A written timeline of events leading to separation.

## 2. ASSESS THE FINANCIAL OFFER

NOTES

- Severance Calculation:** Is the offer fair based on tenure/potential claims? \_\_\_\_\_
- Unused Time:** Does payout include accrued vacation/sick days? \_\_\_\_\_
- Bonuses:** Are you forfeiting a bonus you have already earned? \_\_\_\_\_
- Stock/Equity:** Can vesting of stock options be accelerated? \_\_\_\_\_
- Tax Treatment:** Is payment W-2 wages or 1099 income? \_\_\_\_\_

## 3. HEALTH & BENEFITS (COBRA)

NOTES

- Coverage Period:** How long will health insurance continue? \_\_\_\_\_
- Cost:** Will the employer pay premiums, or are you responsible? \_\_\_\_\_
- Unemployment:** Does agreement protect your right to apply? \_\_\_\_\_

## 4. RESTRICTIVE COVENANTS (CRITICAL)

NOTES

- Non-Compete:** Is there a ban on working for competitors? \_\_\_\_\_
- Non-Solicitation:** Are you restricted from contacting clients/former employees? \_\_\_\_\_
- Confidentiality:** Are there exceptions for spouse/attorney? \_\_\_\_\_
- Non-Disparagement:** Is it mutual? (They shouldn't badmouth you either) \_\_\_\_\_

## 5. THE RELEASE & LEGAL RIGHTS

NOTES

- Scope:** Ensure you aren't waiving vested rights (e.g. 401k). \_\_\_\_\_
- OWBPA:** If over 40, did you get 21 (or 45) days to review and 7 day revocation period? \_\_\_\_\_
- References:** Is there an agreed upon neutral reference policy? \_\_\_\_\_

**Important Note:** While this checklist covers the essential basics of a severance review, every employment situation is unique. Severance agreements often contain complex legal language, hidden tax implications, and binding waivers that require a professional legal analysis to fully understand. This guide is not an exhaustive list of all potential issues and should not be relied upon as a substitute for legal counsel.

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