

SEVERANCE AGREEMENT

This **Severance Agreement** ("Agreement") is entered into on _____, 20____, by and between _____ ("Employer") located at _____, City of _____, State of _____, _____, and _____ ("Employee").

WHEREAS, the Employee's employment with the Employer will be terminated effective _____, 20____; and

WHEREAS, the Employer and the Employee wish to enter into a severance agreement to provide for certain payments and benefits to be made to the Employee in exchange for the Employee's agreement to certain terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Employer and Employee agree as follows:

1. Severance Payment. Employer and Employee agree that Employer ☐ is ☐ is not under any obligation to make any payment upon Employee's termination. The Employer agrees to pay the Employee:

☐ In lump sum. \$_____ in a lump sum payment on _____, 20____ and execution of this Severance Agreement.

☐ In installments. \$_____ in each installment every _____ [Payment schedule], continuing until _____, 20____.

This payment is subject to applicable state and Federal taxes and withholdings.

2. Continued Benefits. The Employee's benefits, including but not limited to, health, dental, and vision benefits ☐ will ☐ will not continue for a period of _____ months following the termination date. The Employee will be responsible for paying any premiums or other costs associated with these benefits during this period.

3. Release of Claims. The Employee agrees to release and discharge the Employer, its officers, directors, employees, and agents from any and all claims, demands, causes of action, and liabilities arising out of or related to the Employee's employment with the Employer, including, but not limited to, claims for wrongful termination, discrimination, or breach of contract.

4. Non-Competition. The Employee agrees to refrain from working in any capacity for any direct competitor of the Employer within _____ [Geographical distance] for _____ [Period of time]. "Direct competitor" is defined as a business that offers or provides products or services that compete directly with products or services offered or provided by Employer. Employee agrees that they had the opportunity to review this document with legal counsel and that the restriction is fair and necessary.



5. Confidentiality. The Employee agrees to keep confidential and not disclose to any third party any confidential information or trade secrets of the Employer, including, but not limited to, customer lists, pricing information, and marketing strategies.

6. Non-Disparagement. The employee agrees that they will not in any way disparage the Employer, nor its subsidiaries, affiliates, officers, or stakeholders in any way, whether verbal or written. The Employer agrees likewise it will not in anyway disparage the Employee in public or private statements or comments. A letter of reference ☐ is ☐ is not included with this Severance Agreement.

7. Severability. If any provision of this Agreement shall be held invalid by superceding court decision, state statute, or otherwise rendered invalid, the remainder of this Agreement shall not be affected.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without regard to conflicts of laws or principles.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

The prior Employment Agreement signed by the Employee is included as an attachment with this Severance Agreement. (Optional)

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Employee Signature

Employee Name

Employer
Name

Employer Representative
Signature

Employer Representative
Name and Title

