

**Article Published in *Lifestyles Magazine*- November 2005**

**Protecting Your Legal Rights- Negotiating a Severance Agreement**

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Over the many years that I have counseled employees, I have found that there is a common but mistaken belief that an employer is legally obligated to pay severance on termination of employment. Since employment in Illinois is “at-will,” an employer may terminate an individual for a good reason, bad reason or no reason at all. As such, there is no legal obligation to provide severance even if the termination is without cause. However, many employers will provide severance pursuant to an established company policy where there is a reduction in force or lay off. In that situation, the severance agreement will typically require the employee to waive their legal rights to file suit as a result of the termination. Severance may also be offered in a termination situation where the employer desires to resolve any issues that could subject the employer to legal action as a result of termination. Knowing what to consider in the negotiation of a severance package is the key to making a successful financial exit from the employer. In particular, you need to consider the realistic value of the package. The answer to this question will largely depend on the reason for the separation, your position with the company and length of service. A factor that greatly influences the value of the package is whether the employer has committed any violation of state or federal laws during the relationship such as a violation of federal discrimination laws including but not limited to Title VII (gender, race, religion or national origin), the Age Discrimination in Employment Act, the Americans With Disabilities Act or the Family Medical Leave Act.

If you suspect that any of your rights have been violated your potential damages should be carefully evaluated in conjunction with the offer of severance. Once the monetary amounts are determined and before the package is finalized, you should consider how the money will be paid whether in a lump sum or over time. This is especially true if continued payments over time will allow the accrual of benefits or pension rights or if any term of the agreement could prevent further payments such as the violation of a restrictive covenant regarding future employment. Finally, once you are presented with the proposed separation package, be sure that all terms of the agreement are included since most severance agreements require the employee to sign a general release of all claims in favor of the employer. Because this is only a brief discussion of the many considerations involved in the negotiation of a severance agreement, it is highly recommended that you seek the assistance of legal counsel. For further information, please visit my web site at [www.joettedoran.com](http://www.joettedoran.com)

*This article is not intended as legal advice. You should consult with an attorney for individual advice regarding your own situation.*

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