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BASIC SEVERANCE AGREEMENT AND GENERAL RELEASE FOR AT-WILL EMPLOYEE: severance contract that includes provisions as to COBRA, unemployment board, and nature of references

Separation Agreement and General Release

This separation agreement and general release is made and entered into by and between _____[*company name*] and _____[*employee name*].

Whereas

_____ [*Employee name*] has been employed by _____ [*employer*] as its _____ [*employee's title*] since _____ [*employee's date of employment*];

for sound business reasons and in the best interests of both parties, it has been decided that _____ [*employee name*] will leave his or her position with _____ [*company name*] and resign;

_____ [*Company name*] and _____ [*employee name*] do not anticipate that there will be any disputes between them or legal claims arising out of _____ [*employee name*]'s separation from _____ [*company name*], but nevertheless desire to ensure a completely amicable parting and to settle fully and finally any and all differences or claims that might otherwise arise out of _____ [*employee name*]'s employment with _____ [*company name*] and the termination of employment;

_____ [*Company name*] does not normally provide severance or any kind of continuation pay or benefits to employees who resign; and

_____ [*Company name*] will use its good offices to assist _____ [*employee name*] in securing other employment;

Now, therefore, in consideration of the mutual promises contained herein, it is agreed as follows:

1. *Resignation.* _____ [*Employee*] will resign from his or her position as _____ [*employee's title*] no later than _____ [*effective date*].

2. *Continuation of pay and benefits.* In consideration of this agreement, _____[company name] agrees to continue to pay _____[employee name] after he or she resigns his or her regular salary, and to continue to make contributions on his or her behalf so that coverage under _____[company name]'s medical, dental, life insurance, and retirement plans will continue, up until the earlier of _____[date] or such date on which he or she commences employment with another employer. It is understood that there will be no continuation of any other benefits (e.g., vacation or leave) during this time period.

3. *Outplacement services.* _____[Company name] agrees to reimburse _____[employee name] for cost he or she may incur for outplacement services up to a maximum of \$_____. _____[Company name] may request _____[employee name] to submit appropriate documentation reflecting these costs.

4. *Confidentiality.* Each party agrees to keep the facts and terms of this separation agreement and general release in strict confidence and refrain from making any negative or critical remarks about the other party. Except for litigation arising out of the breach or enforcement of this agreement, this agreement shall not be admissible in any legal proceeding.

5. *References.* _____[Employee] agrees to any requests for references will only be directed to _____[individually named person(s)]. _____[Company name] agrees that in response to such reference requests, neutral references will be provided. _____[Company name] will not be liable with respect to any requests for references that are directed to anyone other than _____[the above-named individual(s)].

6. *Release of claims.* In consideration of the severance payment and other promises contained herein, and as a material inducement to _____[company name] to enter this agreement, _____[employee name] hereby irrevocably and unconditionally releases, acquits, and forever discharges _____[company name] and its assigns, agents, directors, officers, employees, representatives, attorneys, parent companies, divisions, subsidiaries, affiliates (and agents, directors, officers, employees, representatives, and attorneys of such parent companies, divisions, subsidiaries, and affiliates), and all persons acting by, through, under, or in concert with any of them (hereinafter 'the Releases'), from any and all claims, demands, or liabilities whatsoever, whether known or unknown or suspected to exist by _____[employee name] which _____[employee name] ever had or may now have against the releases, of any of them, including, without limitation, any claims, demands, or liabilities (including attorneys' fees and costs actually incurred) in connection with _____[employee]'s employment and termination of such employment. This release expressly covers, but is not limited to, any claims for _____.

7. *Employer property and trade secrets.* _____[Employee] will return to _____[company name] any and all of its property and documents which he or she may have in his or her possession. _____[employee] further agrees never to disclose to any person or entity any confidential or proprietary information of or about _____[company name], except upon the express authorization and consent of _____[company name].

8. *COBRA.* _____[Employee] hereby acknowledges that _____[company name] has advised him or her that pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) he or she has a right to elect continued coverage under _____[company name] group health plan, at his or her own expense, for a period of eighteen months from the date of this release. Such election must be made no later than sixty days after that date.

9. *No admission of wrongdoing.* This agreement shall not in any way be construed as an admission by the released parties of any acts of wrongdoing whatsoever against _____[employee name] or any other person.

10. *Entire agreement.* This agreement and release sets forth the entire agreement between the parties hereto, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

11. *Statements to unemployment board and to others.* _____[Company name] agrees that it will not contest _____[employee name]'s application for unemployment insurance benefits. Notwithstanding this agreement, however, _____[company name] reserves the right to truthfully furnish information requested by the unemployment board or any other agency and to rebut false or misleading information submitted by the employee, whether requested to do so or not.

12. *Venue.* Any proceeding brought to enforce this agreement shall be brought in _____[specify site]. _____

I have read and carefully considered this separation agreement and general release, and have had an opportunity to ask questions about it and have had my questions answered. Further, _____[company name] has indicated that I am free to discuss this agreement with my family and my attorney. I am signing this agreement freely and voluntarily.

Signed: _____

Date: _____