



# SPENCER SHAW

SPECIALIST EMPLOYMENT LAW & LITIGATION SOLICITORS



## 7 questions to ask your legal advisor before you sign a Settlement Agreement



## SETTLEMENT AGREEMENTS

If you've been offered a Settlement Agreement by your employer, this document is for you. It outlines seven important questions you need to know the answers to before you sign a Settlement Agreement.

Settlement Agreements are not legally binding unless you receive independent legal advice. Your employer knows this which is why they usually pay a solicitor to advise you.

Your Agreement will normally specify how much your employer will contribute towards the cost of legal advice to *explain the meaning and effect of the settlement agreement to you.*



## **1. AM I GIVING UP MY RIGHTS?**

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Settlement Agreements usually benefit both parties, which is why they are widely used. It is important to understand you are waiving your right to make certain legal claims against your employer and you are being compensated to do so. Your legal advisor will explain which rights you are giving up, and which rights you still have.

## **2. IS THE FINANCIAL SETTLEMENT REASONABLE?**

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Your legal advisor is not permitted to confirm if you are getting a fair payment or not. They will, instead, explain the meaning and effect of your Settlement Agreement and help you understand what you are agreeing to receive and what you are agreeing to give up. It is then for you to decide if you feel the settlement amount offered is reasonable to you.

## **3. HOW MUCH TAX WILL I HAVE TO PAY?**

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Your legal advisor will be able to tell you which parts of the settlement incur taxes and which are tax free. This will help you calculate what you will end up with in your account after taxes.

#### **4. IS THERE A CONFIDENTIALITY CLAUSE?**

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Most Settlement Agreements include confidentiality clauses which prevent you from talking about the Agreement or the circumstances leading up to it. Good legal advice will help you understand the confidentiality clauses and the full impact they have on your rights. Your advisor should help you to feel confident about what you can talk about and who you can talk to, to avoid breaching the Agreement.

#### **5. WHAT IS THE RISK OF NEGOTIATING?**

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If you reject your employer's offer, they are not legally obliged to keep it open. Although many employers will allow you to accept the initial offer if negotiation is not successful, others may not. A legal advisor who is experienced in negotiating Settlement Agreements can help you decide whether this is a risk worth taking. They can also negotiate with your employer on your behalf. Your employer's contribution towards legal advice does not cover this type of advice. If you feel you want to negotiate the terms of your Settlement Agreement, let your legal advisor know as soon as possible.

## 6. WILL MY EMPLOYER GIVE ME A REFERENCE?

Getting a reference, even a basic reference, is likely to help you find a new job, yet some Settlement Agreements don't mention references. A good advisor will discuss the benefits of references with you and whether it would be beneficial for this to be included in your Agreement.

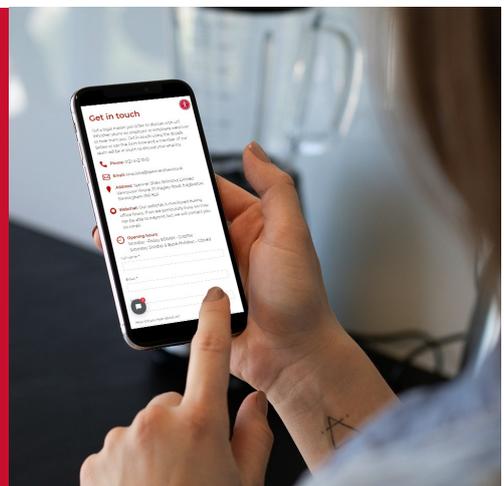
## 7. WHAT HAPPENS IF I BREACH THE AGREEMENT?

If you breach the Agreement, your employer could ask you to repay the financial settlement or obtain an injunction to stop you breaking a confidentiality clause. Your legal advisor will explain the Agreement in clear terms so that you fully understand it and avoid any breaches of contract. Settlement Agreements are in frequent use and breaches are rare.

### GET IN TOUCH

For a free no obligation discussion to find out how we can help you with your Settlement Agreement:

Call us on **0121 817 0520**  
or email [enquiries@spencershaw.co.uk](mailto:enquiries@spencershaw.co.uk)



# WHAT TO LOOK FOR IN A LEGAL ADVISOR

## Clear advice

Find a legal advisor who will explain the Agreement in words you understand, not legal jargon. If you don't understand your Agreement, you can't make a confident decision.

## Experienced in settlement agreements

The advice you receive is very important to you. Look for an advisor or firm who are experienced in providing advice on Settlement Agreements. Check their reviews to see what others have said about them.

## Ready to help you

Find an advisor who responds promptly to your enquiry for help. A good legal advisor will know that you are working to a deadline set by your employer and will want you to be able to make a reasoned decision without being rushed into it.

## Understanding the Cost

Make sure you understand who is paying for the advice you are given. In most cases this will be your employer but for some work, you may need to pay. If you aren't sure, a good legal advisor will clarify this for you before you incur any costs.

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My solicitor explained everything clearly; no jargon, no rushing through things and no making decisions for me. It was great to feel so at ease with discussing something that can become so confusing. I left the meeting just over an hour after arriving and had everything resolved. I would highly recommend Spencer Shaw Solicitors. Should I ever be in a position where I need Employment Law advise again then I won't hesitate to contact Spencer Shaw.

*Yellow Daisy*



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## ABOUT THE AUTHOR

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I founded Spencer Shaw Solicitors in 2007, following my experience as Partner and Head of Litigation in large firms. I felt that firms were not communicating in the way that best suited the client and I wanted to offer a more tailored service.



While the team has grown, we've kept this philosophy. We make the law simple for you. We use familiar language to help you understand exactly how your Agreement affects you, so that you can make the best decisions for you.

Our expert team has a wide range of experience in Settlement Agreements, covering a variety of industries, and dealing with contentious and non-contentious Settlements. We work together to ensure that clients get the best of this combined experience, alongside excellent customer service.

*Ian Jones,*

*Principal Solicitor and Director*

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My solicitor explained the Agreement to me in detail. There were a few issues with the Agreement which he relayed to my ex-employer. These issues were resolved very quickly in my favour and I was happy to sign and bring a very difficult situation to an end.

Thank you for your help. You made a somewhat difficult and upsetting situation easier to bare. You were extremely understanding and sympathetic and without your assistance this process would have been made more upsetting.

I would HIGHLY recommend Spencer Shaw Solicitors to anyone who finds themselves in a difficult situation.

*Sarah E*

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