

Employment law for employers

Drafting Settlement Agreements



Below, you will find clear information about what's included in our fixed fee packages for drafting Settlement Agreements for employees.

Formerly known as a Compromise Agreement, a Settlement Agreement is where an employee or worker agrees not to pursue certain statutory employment tribunal claims against their employer.

Why have a Settlement Agreement?

The agreement is commonly used to record an employee's terms of departure where they are to receive a termination payment in return for the waiver of all actual and potential statutory (and usually common law) claims against the employer.

For a valid waiver of statutory employment rights, certain statutory conditions must be met:

- + The agreement must be in writing;
- + The agreement must relate to a particular complaint or particular proceedings;
- + The employee must have received independent legal advice on the agreement and in particular on its effect on their ability to pursue the statutory rights in question;
- + The adviser must be identified in the agreement;
- + The adviser must have insurance in relation to the advice; and
- + The agreement must state that the conditions regulating settlement agreements in the relevant legislation have been met.

Our pricing options

With regards to costs, at Barcan+Kirby we are able to offer two different pricing options for Settlement Agreements to suit you and your business.

1. Fixed fee

Our fixed fee package provides you with the legal advice you need and within your budget, as most of the cost risks sit with us. It's worth noting that, under a fixed fee arrangement, you may end up paying more than you might have under an hourly billing rate or any other arrangement, however, the fixed fee option remains set in price.

Service	Silver £500 + VAT (£600)	Gold £1,000 + VAT (£1,200)	Platinum £1,500 + VAT (£1,800)
Consultation (face-to-face or by telephone)	✓ Up to 30 minutes	✓ Up to 1 hour	✓ Up to 1 hour
Advice upon specific terms which are relevant to you		✓	✓
Settlement Agreement template	✓	✓	
Bespoke Settlement Agreement tailored to your specific needs			✓
Letter of advice specific to the Settlement Agreement provided		✓	✓
Additional time after provision of the Settlement Agreement		✓ Up to 30 minutes	✓ Up to 1 hour

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Payment terms

You will need to put down a deposit of 50% of your chosen package at the time of the initial consultation. The full balance will need to be paid within one month of our first meeting.

Material departure

Please note that if there is a material departure from the agreed scope, assumptions and exclusions for any reason, it is highly likely that our price will need to be adjusted upwards. However, we will discuss this with you as soon as we become aware of the possibility and before incurring any unanticipated cost.

2. Hourly rate

If you would prefer to go with a traditional hourly rate option, you will be charged for the time spent by your solicitor, any other solicitors and support staff in dealing with your case. This includes advising, dealing with papers, telephone calls and travelling.

Depending on your specific instructions and the work agreed, we would imagine costs to be in the region of £350 and £2,500 plus VAT (£420 and £3,000 inclusive of VAT). We would require £400 on account of costs before proceeding with any work required.

If the work proceeds smoothly and without any departure from the agreed scope, exclusions and assumptions, it may cost slightly less than other pricing methodologies. With the hourly rate, you *do* have the ability to monitor cost issues on an ongoing basis and refine your instructions in response to those developments; your costs will be limited to the time actually spent. However, what you need to consider is whether you want to assume and manage the price risk yourself (and reap any potential savings), or whether you prefer us to assume that price risk entirely, or share the price risk with us.

With this approach, there is cost uncertainty on your part and it may be that the work required means the cost is more than other pricing methodologies. There may also be little relativity between the total fee and the result you achieve. Under this option, we will not discount our fee for a result that falls short of your expectation if that result is something we did not have any control over. Please note, the range provided is our best estimate. We cannot rule out the possibility of the fee being higher than the top end of the range.

Further information

To speak to our Employment solicitors about our Settlement Agreement packages, or any other employment-related issue, call us on [0117 325 2929](tel:01173252929) or visit barcankirby.co.uk.

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