



CONNECTING & INNOVATING  
SINCE 1913

## SAMPLE SETTLEMENT AGREEMENT AND RELEASE

**Employee's Name (Employee's Last Name)**, (Union Name), and the City of (Name of City), in exchange for mutual consideration, the adequacy of which is hereby acknowledged, enter into this Settlement Agreement, and agree as follows:

1. Employment Termination. **Employee's Last Name** hereby resigns from his/her (job title) position with the City effective (effective date). Simultaneous with the execution of this Agreement, **Employee's Last Name** will submit to (Name, City Manager/Mayor), a resignation letter stating that "I hereby resign my (job title) position with the City". The Date of Discharge Letter of (City Manager/Mayor) will be removed from **Employee's Last Name** personnel file and will be replaced with **Employee's Last Name** resignation letter.
2. Continuation of Salary and Benefits. The City will continue **Employee's Last Name** on its payroll at his/her current hourly rate of pay through the effective date of his/her resignation, (effective date). **Employee's Last Name** will receive eighty (80) hours of pay on a bi-weekly basis utilizing the City's standard two week, eighty (80) hour pay period by first using any accrued vacation or sick leave hours he may have. The biweekly payments required under this paragraph will terminate upon the effective date of **Employee's Last Name** resignation.
3. Health Insurance/Continuation Rights. **Employee's Last Name** acknowledges that it is intended that he/she will receive a notice of his right to extend his/her health insurance at his own expense pursuant to state and federal law after his/her resignation date of (effective date). This Agreement does not limit **Employee's Last Name** health insurance continuation rights.
4. Return of Property. Employee agrees to return all papers, files, documents, computers, reference guides, equipment, keys, identification, credit cards, software, computer access codes, disks and City manuals and handbooks, or other property belonging to the City no later than then end of the time for consideration of this Agreement, as set forth in Paragraph 6 below. Employee shall not retain any copies, duplicates, reproductions or excerpts of any property of the City.
5. Waiver of Right to Contest Termination. **Employee's Last Name** hereby waives his right under the City of (Name of City) Human Resources Act and Rules, Minn. Stat. §179A.25; the Veterans Preference Act, Minn. Stat. §197.46; and the Agreement Between the City of (Name of City) and the (Name of Union) Labor Agreement, and any other applicable rights to contest his discharge. The Union agrees not to contest **Employee's Last Name** discharge or make any further claims of any nature relative to **Employee's Last Name** discharge.

6. **Employee's Last Name** General Release and Covenant Not to Sue. **Employee's Last Name** hereby releases any and all claims, demands, actions, liability, damages, or rights and causes of action of any kind whether known or unknown, foreseen or unforeseen, against the City, its current or former officers, employees and agents arising out of or resulting from the City's employment relationship with **Employee's Last Name**. These claims include, but are not limited to: any claims for severance, back pay, wrongful termination, defamation, intentional/reckless/negligent infliction of emotional distress, attorney's fees, expenses or costs; under the Veterans Preference Act, Minn. Stat. §197.46; the Labor Agreement; City's Personnel Policy; Minnesota Human Rights Act, Minn. Stat. §§363A.01-41, Title VII of the Civil Rights Act, 42 U.S.C. §§2000e – e-17; Family and Medical Leave Act, 29 U.S.C. §§2601-54; Americans with Disabilities Act, 42 U.S.C. §12101-117; the Rehabilitation Act of 1973, 29 U.S.C. §701-96i; the Public Employment Labor Relations Act, Minn. Stat. §§179A.01-.30; the Minnesota Occupational Health and Safety Act, Minn. Stat. §§182.65-.676; the Minnesota Whistleblower Act, Minn. Stat. §§181.931-.935; the Age Discrimination in Employment Act (ADEA), 29 U.S.C. §§621-34.
7. **Excluded from this release** are any claims that cannot be waived by law, including, but not limited to, the right to file a charge with or participate in an investigation conducted by certain government agencies. Employee is waiving, however, the right to any monetary recovery should any agency (including, but not limited to, the Equal Employment Opportunity Commission) pursue any claims on his/her behalf. Also excluded from this release are any claims filed by Employee for workers compensation benefits.
8. **Rescission Period.** In compliance with the ADEA, 29 U.S.C. §626(f)(1)(F)(i), **Employee's Last Name** has 21 days in which to consider this Settlement Agreement. In compliance with the ADEA, 29 U.S.C. 626(f)(1)(G) and the Minnesota Human Rights Act, Minn. Stat. 363A.31, **Employee's Last Name** has 15 days from his/her execution of this Settlement Agreement in which to rescind it. To be effective, any such rescission must be in writing and delivered to (City Manager/Mayor, city hall address) within 15 days from **Employee's Last Name** execution of the Agreement, either:
  - a. By hand by 5 p.m. on the last day; or
  - b. By certified mail return receipt requested, postmarked by the last day.
9. **Employee's Last Name Representations.** **Employee's Last Name** represents and agrees that:
  - a) the City has fully and properly paid him/her for all of the hours, the work, and the services he/she has ever provided to the City, and that, except for the payments referenced in Paragraph 2 above, he/she has received from the City all wages, salaries, earnings, overtime pay, and all other remuneration to which he/she is entitled. (a) he/she received a copy of this Agreement for review and study and has had at least twenty-one (21) days to consider the Agreement before signing it; (b) he has fully read this Agreement; (c) he/she has been given a fair opportunity to discuss and negotiate the terms of this Agreement; (d) he/she has been advised by the City and the Union to consult an attorney before signing this Agreement; (e) he/she had an opportunity to discuss this Agreement with his/her Union and agrees that he/she received

full, fair, and competent representation from his Union; and (f) he/she understands and fully agrees to the Agreement's provisions and is voluntarily and without duress entering into this Agreement. **Employee's Last Name** represents and agrees that if he/she signs the Agreement before the expiration of the twenty-one (21) day period, it is because he/she has decided voluntarily that he/she does not need any additional time to decide whether to sign the Agreement.

10. Governing Law and Severability. This Agreement is governed by the laws of the State of Minnesota, both as to interpretation and performance. Any term or condition of this Agreement found to be invalid, illegal or unenforceable shall not render this Agreement void or unenforceable. If any particular provision of this Agreement shall be adjudicated to be invalid or unenforceable, the parties specifically authorize the tribunal making such determination to replace the invalid or unenforceable provision to allow this Agreement, and the remaining provisions thereof, to be valid and enforceable to the fullest extent allowed by law and/or public policy. The rule of construction of interpreting a contract against its drafter will not apply to this Settlement Agreement.
11. Assignment. This Agreement shall be binding on **Employee's Last Name** and **Employee's Last Name** heirs, agents, administrators, representatives, or executors, and upon the City's and Union's successors or assignees. This Agreement shall not be assignable by **Employee's Last Name** and any purported assignment shall be null and void.
12. Entire Agreement. This Agreement contains the entire Agreement between the parties. The parties have no other written or oral Agreements. This Agreement supercedes any and all prior Agreements. Any amendment or modification of this Agreement, or any subsequent Agreement between the parties must be in writing.
13. Purpose of Agreement. Pursuant to Minn. Stat. §13.43 subd. 2(a)(6) the City states that the reasons it is entering into this settlement are to avoid the significant time, expense and risks of prosecuting this case, because of the vicissitudes of litigation, and to put to rest any and all possible disputes between the parties.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Employee's Name**

FOR THE UNION

\_\_\_\_\_  
**Union Official**

\_\_\_\_\_  
**Attorney for the Union**

CITY OF (NAME OF CITY)

By: \_\_\_\_\_  
(City Manager/Mayor Name)  
Its: City Manager/Mayor

By: \_\_\_\_\_  
(HR Director's Name)  
Its: Human Resources Director

*Special thanks to the Hennepin County Labor Relations Department for permission to use this sample Settlement Agreement and Release. It has been modified slightly for use by cities. As with any legal document, the League of Minnesota Cities strongly advises cities to seek legal advice in drafting such an agreement with any employee.*