

Making a formal offer

Before making a formal offer, both the employer and worker should:

- discuss the settlement agreement offer
- negotiate and agree the terms

The settlement discussions should make clear:

- the reasons for the settlement agreement
- what's being offered – for example, a financial payment, a job reference
- what the confidentiality clause means, if included
- that the worker agrees to give up their right to make the particular claims listed in the agreement

Putting the agreement in writing

A settlement agreement is a legal contract. It must be in writing.

Using our settlement agreement template

To help make your own settlement agreement, you can:

- use our [template for writing a settlement agreement](#)
- follow our guidance on [how to use our settlement agreement template](#)

You should follow our guidance carefully when using the template. It explains what the different clauses in the template are for and how you should amend them for your particular circumstances.

The template and guidance are not a replacement for legal advice.

If you're not sure about anything, [get legal advice](#).

Allowing time to consider an offer

Employers should give a worker a reasonable amount of time to:

- consider the written offer
- get independent advice

What is reasonable, will depend on the situation. The [Acas Code of Practice on settlement agreements](#) recommends allowing at least 10 days to consider a settlement agreement.

Employers must make [reasonable adjustments](#) for someone who's disabled. For example, someone might need more than 10 days to get independent advice, if they need a sign language interpreter.

In some situations, if you're not given enough time to consider an offer, settlement discussions could be used as evidence in a claim at an employment tribunal.

Getting independent advice

When a worker signs a settlement agreement, they give up their right to make a claim at an employment tribunal or another court. So it's important they check and agree the terms of the written offer.

For an agreement to be legal, a worker must get advice from a relevant independent adviser on how the agreement affects their rights to make a claim. The adviser must not be employed or acting on behalf of the employer.

An independent adviser can be one of the following:

- a qualified lawyer
- a certified and authorised trade union officer, official, employee or member
- a certified and authorised advice centre worker

Settlement agreements must specify the name of the independent adviser. They must also be insured, in case the worker suffers any loss as a result of the advice they give.

The employer should consider offering to pay the cost of any independent advice. They do not have to do this. But if they do, it helps make sure the worker gets the advice they need.

Because a settlement agreement is a legal document, employers should also get legal advice.

[Find out more about getting legal advice](#)

If a settlement agreement is turned down

If a settlement offer is rejected, employers should try to resolve the underlying causes of problems at work.

For example, they could:

- provide training
- improve working arrangements
- follow their performance management or [disciplinary](#) procedures
- offer [mediation](#)

If the terms of the agreement are broken

By law, if the terms of a settlement agreement are broken it's a breach of contract.

For example:

- the employer fails to pay compensation
- the worker breaches the confidentiality clause

If there's a breach of contract, the employer or worker can make a claim to:

- county court in England and Wales
- sheriff court in Scotland

Get more advice and support

If you have any questions about settlement agreements, you can:

- speak to a trade union representative, if you have one
- [contact the Acas helpline](#)
- [get legal advice](#)