



**FRAMEWORK  
FOR THE MANAGEMENT  
OF SEVERANCE  
AGREEMENTS**

*Approved by Governing Authority Finance, Human Resources  
& Asset Management Committee 1 October 2019*

## **1. Purpose of Framework**

- 1.1 Before negotiation/discussion under this Framework is initiated, the prior written approval of the Deputy President, Chief Operating Officer & Registrar (DPCOOR) and Director, Human Resources must be obtained.
- 1.2 A Settlement Agreement will not be used as an option to avoid formal performance management action or disciplinary processes.
- 1.3 This Framework has been established to deal with the initiation, management and approval of the provisions of a Severance Agreement between the University and an employee that includes the provision for a severance payment i.e. a payment which is in excess of any payments to which the employee has established a contractual or legislative entitlement. A Severance Agreement may be contemplated by the University at its discretion in various circumstances e.g. where the University considers that the employment relationship may have irrevocably broken down.
- 1.4 A Severance Agreement is a legally binding written agreement entered into voluntarily by the University and its employee. A Severance Agreement will provide for a severance payment and/or provision of something of value by the University to the employee in full and final settlement of any claim or potential claim the employee may have against the University. In addition, a Severance Agreement will include other clauses relating, for example, to the employee's obligation of confidentiality (subject to the Protected Disclosures Act 2014) and such other clauses as are considered appropriate and/or necessary by the University in the particular circumstances.
- 1.5 This Framework does not address or apply to redundancy situations in the ordinary course.

## **2. Initiating a Severance Agreement**

- 2.1 The initiation of a Severance Agreement will involve the following steps:
  - a. Where the relevant UL Manager considers that matters may have arisen that could potentially be addressed in a severance agreement, then he/she must refer the matter immediately to the Director, Human Resources for guidance on how best to proceed.
  - b. Having fully considered the situation between the University and the employee, including discussions with the relevant manager and employee and such others as deemed appropriate by the Director, Human Resources, the Director, Human Resources will decide whether or not a severance agreement should be considered as a possible outcome to resolve the situation.
  - c. Where the Director, Human Resources considers the appropriate option to follow is the development of a severance agreement, then he/she will forward his/her written opinion to the DPCOOR for his/her written approval.

- d. Upon receipt of written approval from the DPCOOR, the Director, Human Resources will prepare a written proposal for the President outlining the rationale for the decision to pursue this course of action with the employee. The proposal must include appropriate legal advice addressing matters in relation to the options open to the University in the particular circumstances and the legal risks and benefits of these options. The President, having considered the proposal, if agreeable to the course of action proposed, will authorise the Director, Human Resources in writing to commence a negotiation process/severance discussions with the employee through legal representation or otherwise.
- e. Based on the written authorisation of the President, the Director, Human Resources will inform the Governing Authority Finance, Human Resources & Asset Management Committee (FHRAMC) of the proposal to enter into negotiations/discussions with the employee, without informing the Committee of the identity of the employee.
- f. The Director, Human Resources will inform the Department of Education & Skills that negotiations/discussions have been entered into with an employee which may result in a Severance Agreement approval.
- g. The employee will be advised at the outset that the employee should take appropriate independent advice in relation to any proposed Severance Agreement and further that any final Severance Agreement will be subject to approval of a Subcommittee of the Governing Authority Finance, Human Resources & Asset Management Committee (FHRAMC) and the Department of Education & Skills.
- h. The employee will be advised and a Severance Agreement will provide that breach of the Agreement by the employee will result in the employee being required to repay the full settlement payment and return/restore any things of value provided in the Severance Agreement, without restricting any other remedy open to the University.

### **3. Approval of Severance Agreement**

- 3.1 The approval of a Severance Agreement will involve the following steps:
  - a. Where negotiations/discussions have resulted in a proposed Severance Agreement and associated severance payment, the FHRAMC will set up a subcommittee comprised solely of members who are not employees or students of the University. Details of the proposed Severance Agreement will be presented to the FHRAMC Subcommittee by the Director, Human Resources for approval. The Subcommittee will treat the submission in the strictest confidence.
  - b. Following approval by the FHRAMC Sub-Committee, details of the Severance Agreement (as approved by the FHRAMC Subcommittee) will be forwarded to the Department of Education & Skills for approval prior to the signing of any agreement.
- 3.2 An employee with whom a Severance Agreement has been reached will not be reengaged as an employee or on a contract basis without the prior written consent of the Department of Education & Skills.

#### **4. Severance Agreement Records**

- 4.1 In negotiating a Severance Agreement, the Director, Human Resources will ensure that the necessary legal advice is sought on an on-going and timely basis and will ensure that a copy of all advice and responses from all stages in the process are retained in the Severance Agreement file.
- 4.2 The initial approval of the FHRAMC Sub-Committee and the approval of the Department of Education & Skills will be retained on file.
- 4.3 The final severance payment calculations if any and the basis for same will be retained on the Severance Agreement file. In addition, the file will only contain final approved and issued draft correspondence. Unissued draft correspondence will not be retained on file.
- 4.4 Approved Severance Agreements should be signed by all parties in respect of severance payments. Where possible the agreement should be signed prior to the termination of the employee's employment and their leaving the University.
- 4.5 The signed Severance Agreement will be retained in the relevant Severance Agreement file, in accordance with the provisions of the University's Record Management & Retention Policy.

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