



How to Calculate Your Settlement Agreement

- A Step by Step Guide

1 Get your paperwork together

Last 3 months payslips
Employment Contract
Form P60
Form P11D
Bonus scheme or rules
Commission Scheme rules
Pension information
Share options, or Save as You Earn Scheme.
Work Gym membership terms
Redundancy Policy
Outplacement scheme
Ill-health benefits
Any other contractual or other benefits

2 Numbers !

Work out the values of your pay and benefits, on a gross and net basis



3 Check your employer's figures against yours



4 Check your start date, notice period & benefit entitlement

One week for each completed year up to a maximum of 12

5 Calculate your holiday pay

Review your employment contract

8 Were you dismissed for poor performance?

Your employer (or you) may decide to offer a settlement agreement. If that happens the value of your settlement may come down to:

- Your notice entitlement
- How long the process will take before your employer can dismiss you fairly?
[If you have under 2 years' service, your employer may decide to just serve notice or terminate your employment immediately and pay in lieu]
- Whether there is an underlying health condition that might be a disability.
- Your employer's attitude to settlement payments versus getting on with the performance procedure

7 Were you off sick?

If you've been offered a settlement because you've been sick and unable to work, check whether you're entitled to permanent Health Insurance

9 What are your chances?

Stop and think about your chances of success, given your situation and what you know about your employer and their likely response. What will the impact be on your health or wellbeing if you argue your case?

6 Were you made redundant?

Calculate your Statutory Redundancy Pay entitlement - <https://www.gov.uk/calculate-your-redundancy-pay>

10 Calculate the agreement

Settlement Agreements were previously called Compromise Agreements. The spirit of doing a deal is to compromise, and that neither side is likely to get everything their own way. Is the financial deal good enough to tide you over until you get another job?