



Topics covered: Compromise Agreements / Restrictive Covenants

Compromise Agreements

Redundancy, disciplinary and capability procedures can take months to complete.

Discrimination claims have the potential for adverse publicity for the employer's business. The employer will be keen to resolve matters quickly and efficiently without the possibility of a claim by the employee for unfair dismissal or discrimination through the Tribunal. The employee may feel that it is time to move on and generally the relationship of confidence and trust between the parties may have broken down. In such situations a Compromise Agreement may be the solution.

A Compromise Agreement is an agreement between the employer and employee whereby the employer agrees to make a compensation payment to the employee on the basis that the employee agrees not to bring certain claims against the employer, usually including a claim for unfair dismissal through the Tribunal.

To be legally valid a Compromise Agreement must comply with the requirements of Article 79 of the Employment (Jersey) Law 2003, namely:

- > The Agreement should be in writing;
- > The Agreement should specify the complaint that the employee is agreeing to compromise; and
- > The employee must have obtained advice from an independent legal adviser as to the terms and effect of the Agreement and in particular the effect on the employee's right to pursue a claim before the Tribunal.

Our expert employment lawyers will draft a Compromise Agreement that is tailored to the requirements of the employee and employer and advise on appropriate settlement figures.

Restrictive Covenants

In order to protect its business interests, the employer will be keen to ensure that a departing employee does not set up in competition or encourage key members of staff to follow them to their new workplace.

Restrictive covenants may be void for restraint of trade, unless they are designed to protect the employer's legitimate business interests and extend no further than is reasonable to protect those interests. Each clause must be considered in light of the prevailing circumstances.

For expert legal advice on employment law or any of our legal services, please contact us