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SEVERANCE POLICY

State of Alabama

BACKGROUND:

A. This Severance Policy (the "Policy") is made effective as of the following date:

_____.

B. This Policy outlines the terms, conditions, procedures, and expectations regarding severance for employees of _____.

C. _____ recognizes the organizational changes, economic conditions, and various factors that may lead to the need for employee terminations.

D. The purpose of this Policy is to provide a structured framework for managing employee separations while upholding the values of fairness, transparency, and respect.

E. This employer will offer at least the minimum benefits mandated by law and this policy is merely complementary to the existing legal guidelines.

By signing this document, an employee agrees to the following terms:

I. ELIGIBILITY CRITERIA.

1. This Policy applies to all employees who work for the Employer and meet the requirements described herein.

2. Employees eligible for severance benefits may include individuals facing termination due to the following factors:

- Job elimination
- Position restructuring
- Technological advancements leading to role redundancy
- Business reorganizations

3. Employees must have a minimum of _____ of working for the Employer uninterrupted to be eligible for severance benefits.

4. Eligibility is influenced by the Employee's position and role within the organization. The following roles are eligible for severance benefits:

5. Certain circumstances may result in employees being excluded from severance eligibility. Exclusions may include:

- Employees terminated for gross misconduct or violation of company policies
- Individuals holding contract or temporary positions
- Employees who have secured alternative employment

II. SEVERANCE COMPENSATION.

6. Employees shall receive a fixed lump-sum severance payment. This one-time payment is calculated based on factors such as years of service, position, and any legal requirements. It aims to provide immediate financial support to Employees facing termination.

7. The severance package includes the payout of accrued but unused vacation and paid time off (PTO). This provides departing employees with additional financial support, covering the value of their accrued leave. The amount of unused time that will result in a payout is limited to _____ days of accrued vacation and PTO.

8. For Employees who earn commission, the severance package may include prorated commission payments based on sales or performance metrics. This ensures that commission-based employees receive fair compensation for their efforts.

III. ADDITIONAL SEVERANCE PACKAGE BENEFITS.

9. Employees have the option to continue health insurance benefits for the following period of time after termination: _____.

10. To support the transition to new employment, eligible Employees may be provided with outplacement services, including career counseling, resume writing assistance, and job search support.

11. Employees will receive a contribution to their retirement accounts, such as 401(k) or pension plans, during the severance period. This financial support helps Employees maintain their retirement savings during the transition.

12. Aside from healthcare coverage, the severance package covers the cost of health and welfare benefits, such as gym memberships or dental plans, for the following period of time: _____.

13. Employees holding stock options or equity in the Company may receive guidance and assistance in exercising or liquidating their vested stock options or equity awards. This helps departing Employees navigate the financial aspects of their equity holdings.

14. If applicable, Employees participating in tuition reimbursement programs or loan assistance programs may receive continued support during the severance period.

IV. NON-DISPARAGEMENT AGREEMENT.

15. Employees will receive severance benefits on the condition that they be required to sign a non-disparagement agreement, refraining from making negative statements about the Company, as well as its Employees, executives, products, services, or any other aspect of the business.

V. CONFIDENTIALITY AGREEMENT.

16. Upon acceptance of the severance package, Employees are required to adhere to a strict confidentiality obligation. This obligation extends to all aspects of the severance agreement, including but not limited to the terms and conditions, financial details, any discussions or negotiations related to the separation, internal company information, trade secrets, proprietary knowledge, and any other information deemed confidential by the Company.

17. The obligation to maintain confidentiality persists indefinitely and applies both during the employment period and after the termination date. This requirement extends to the employee's interactions with current and former employees, clients, vendors, or any other third parties.

18. A breach of the confidentiality requirement may result in legal action and the pursuit of remedies available under applicable laws. This may include the recovery of damages, injunctive relief, or other appropriate measures to protect the Company's interests.

19. The confidentiality requirement does not prohibit Employees from disclosing information as required by law or as part of legal proceedings.

VI.

VII. NOTIFICATION PROCESS.

20. Employees eligible for severance will be provided with written notice of their termination at least _____ in advance, as required by applicable laws.

21. Communication during the severance process will be handled with sensitivity and respect. Employees will be informed of the reasons for their termination, the effective date, and details regarding the severance package.

VIII. LEGAL COMPLIANCE.

22. This Severance Policy complies with all applicable employment laws and regulations. The Company will continuously monitor and update the policy to ensure legal compliance.

IX. NON-DISCRIMINATION.

23. All severance decisions will be made without regard to age, sex, gender, race, religion, disability, or any other protected characteristic. The Company is committed to providing equal treatment to all Employees.

X. MODIFICATIONS.

24. Employer reserves the right to amend, modify, or revise this Policy at any time at their sole discretion.

25. If substantive changes are made to the Policy, employees will be notified in writing of such changes.

XI. ACKNOWLEDGMENT.

26. By signing this, employees acknowledge and confirm that they have read and understood this Policy and agree to comply with all provisions herein.

27. Employees acknowledge and understand that this Policy is a guide and does not create contractual obligations upon the Parties. Any existing employment contracts shall be prevailing.

XII. GOVERNING LAW.

28. This Policy shall be governed by the laws of the State of Alabama. Both Parties consent to jurisdiction under the state and federal courts within the state of Alabama. The Parties agree that this choice of law, venue, and jurisdiction provision is not permissive, but rather mandatory in nature.

EXECUTION:

IN WITNESS WHEREOF, the undersigned Employee acknowledges their receipt and understanding of this Policy:

Employee Signature

Employee Name

Date