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| Division: | Human Resources (HR) |
| Title: | Standard Operating Procedures |
| Procedure: | SETTLEMENT AGREEMENTS GUIDELINE |
| Original Effective Date: | |
| Revised Effective Date: | 4/10 |

Settlement Agreement Guidelines

When all parties mutually agree to resolve a grievance, Human Resources will prepare an agreement as follows:

Step 1: Secure mutual agreement of employee and management relating to grievance filed pursuant to DHHS Directive III-8.

Parties must voluntarily participate. Grievant agrees to waive right of further appeal. Back pay/front pay must also be incorporated in the agreement, if applicable. If done as resolution to Step 2 appeal, management must respond within 10 calendar days, unless grievant consents to continuance.

Step 2: Draft proposed agreement. ([Settlement Agreement Template](#))

Identify issues and terms mutually agreed upon by parties.

Step 3: Submit draft agreement to the DHHS Employee Relations Section for review and approval.

Step 4: Execute Settlement Agreement
(Secure notarized signatures of respective parties.)

Step 5: Obtain all required relevant documents mentioned in the agreement.

Step 6: Calculate Back Pay (if applicable)

Step 7: Forward executed agreement to DHHS Employee Relations Section to secure OSP approval, if required.

The DHHS Employee Relations Section will coordinate agreements requiring OSP approval (those involving an exception to or variance with existing personnel policies, attorney's fees, back pay, etc.) OSP authorization is not needed for agreements allowing an employee to substitute resignation for dismissal and requiring the employee to withdraw a grievance.

Include back pay forms (PD-14's) and Personnel Action Form for actions related to settlement agreements. DHHS Classification/Compensation will approve and forward to OSP.

Step 8: Revise Personnel Action Form to reflect settlement.

Step 9: Complete Beacon Grievance tracking system in compliance with settlement agreement.

Step 10: Pull employee's personnel file to ensure compliance with settlement agreement, including pulling correspondence relating to dismissal or other action, noting neutral references, etc.

Step 11: File Settlement Agreement in grievance file separate from employee's personnel file.

STATE OF NORTH CAROLINA
COUNTY of _____

MUTUAL RELEASE AND SETTLEMENT AGREEMENT

This Mutual Release and Settlement Agreement ("Agreement") is made this ____ day of _____, 20__ by and between _____ (hereinafter referred to as "Grievant") and the _____ (division/facility/school) (hereinafter "the _____").

WITNESSETH:

WHEREAS, Grievant is a former employee of _____, having last worked at the _____ as a _____; and

WHEREAS, Grievant's employment was terminated, effective _____, 20__;

WHEREAS, Grievant, the _____, and the Department find it mutually desirable to resolve all claims which have arisen or might arise as a result of said termination;

THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. The _____ shall rescind Grievant's termination and remove the following from Grievant's personnel file: Dismissal letter dated _____, signed by _____ and all documents referring to the dismissal.
2. The _____ shall revise the personnel action form (Form PD-105) effecting Grievant's separation from employment at the _____ to reflect a voluntary resignation, effective _____.
3. In response to employment verification and/or reference inquiries, the _____ shall provide a "neutral" reference concerning Grievant's employment at the _____. The "neutral" reference shall include only the following information:
 - a. The beginning and ending dates of Grievant's employment;
 - b. Grievant's job classification and rate of pay at the time of his separation; and
 - c. A brief description of Grievant's duties as a _____.

For good and valuable consideration set forth above, Grievant agrees as follows:

4. Grievant shall submit to the Department, prior to or concurrent with the execution of this Agreement, a written resignation from _____ employment, effective _____.
5. Grievant shall waive any Department of Health and Human Services, Federal and State appeal rights he might have arising out of Grievant's employment by and separation from the _____.
6. Grievant shall also release the Department, the _____ and their officials, representatives and employees of any and all liability or responsibility for any and all claims arising out of grievant's employment by and separation from the _____.
7. Grievant shall not reapply at _____.

The above-stated agreement constitutes the entire agreement as specified by the parties and the considerations stated herein are contractual and are not a mere recital.

IN WITNESS WHEREOF, the undersigned parties set their hands and seals as of the dates written below.

Date: _____ Employee (Seal) _____

Date: _____ Director/Agency Head (Seal) _____

ACKNOWLEDGEMENT CERTIFICATE

North Carolina

_____ County

I certify that the following persons personally appeared before me this day, and (I have personal knowledge of the identity by a current state or federal identification and with the principal's photograph in the form of _____) (a credible witness has sworn to the identity of the principal(s); each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

DATE _____

NOTARY PUBLIC (Seal)

(Official Seal)

My commission expires: _____