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Federal Court Upholds Validity of Harvard's Employee Separation Agreement

BY TIMOTHY H. POWELL • AUGUST 24, 2017

On August 7, 2017, the U.S. District Court for the District of Massachusetts dismissed a disability discrimination claim brought by a former employee against Harvard University, ruling that the employee had released all claims against the University when she accepted the terms of her separation agreement. The plaintiff, who worked as a nurse at Harvard University Health Services, took a total of three leaves of absence due to her Adult Attention Deficit Disorder. She alleged that upon returning from leave, her supervisors targeted her with unwarranted disciplinary actions; crafted new practices and procedures that made it impossible for her to satisfactorily complete her job duties; and treated her differently after she requested reasonable accommodation of her disability.

The plaintiff was eventually terminated and was offered a separation agreement that provided her a lump sum payment, outplacement services, and a letter of reference in exchange for her release of all claims against the University (including any claims arising under the ADA). The agreement also encouraged the plaintiff to seek the advice of an attorney before signing, and provided her with 21 days to consider the offer. The plaintiff signed the separation agreement, and accepted the payments and services provided by the University under the agreement. Upon the University's motion to dismiss the plaintiff's complaint, the Court evaluated the validity of the separation agreement. The Court found that the plaintiff's release of ADA claims in the separation agreement was made knowingly and voluntarily, and therefore her claims were barred. In addition, the Court concluded that even if the plaintiff had been "forced" to sign the agreement (as she alleged), her subsequent acceptance of all benefits promised under the agreement served to ratify the agreement, and would waive her right to sue for the ADA claims released in the agreement.

Client Tip: *In appropriate circumstances, offering separation agreements to terminated employees – which often involves payment of a severance and/or other forms of consideration in exchange for a release of all claims against the employer – can be an excellent way for both employers and employees to achieve finality over the parties' employment relationship and to avoid the uncertainty of potential future litigation related to the employment. As this case demonstrates, well-drafted and validly-executed separation agreements will be upheld by the courts and will prevent former employees from*

bringing employment-related claims after termination.