Settlement agreement (example template)

Example of a balanced Dutch settlement agreement (vaststellingsovereenkomst), in English

Example for comparison only. Do not use it unchanged: a settlement agreement must be tailored to your employment, the reason for termination and your personal situation. Fill in or delete the yellow fields. Options in square brackets are alternatives: keep the one that applies.

Parties

Employer: [Name of employer], having its registered office at [address], [postcode and town], represented by [name and position], hereinafter: "the employer",

and

Employee: [Name of employee], residing at [address], [postcode and town], hereinafter: "the employee".

The employer and the employee are hereinafter referred to individually as a "party" and jointly as "the parties".

Recitals

a. The employee has been employed by the employer since [start date] on the basis of an employment contract for an [indefinite/definite] period, in the position of [job title], at a gross monthly salary of € [amount], excluding holiday allowance and other benefits.

b. The employer has informed the employee that it wishes to end the employment because of [reason, for example: economic reasons / a reorganisation].

c. The initiative for the termination of the employment lies with the employer.

d. The parties wish to end the employment by mutual consent and record their arrangements in this settlement agreement (vaststellingsovereenkomst) within the meaning of article 7:900 Dutch Civil Code.

e. The parties declare that the employee has had sufficient opportunity to obtain legal advice, and, where relevant, advice on immigration and tax.

Article 1 – Termination of employment

1.1 The employment ends by mutual consent on [end date] ("the end date").

1.2 Until the end date, the employment contract and all applicable terms and conditions of employment remain in force, unless this agreement provides otherwise.

Article 2 – Reason for termination and WW

2.1 The employment ends because of [reason, for example: economic reasons / a reorganisation], without any culpable act or omission on the part of the employee.

2.2 The parties expressly declare that:

- the initiative for the termination lies with the employer;

- there is no urgent cause (dringende reden) within the meaning of article 7:678 Dutch Civil Code;
- the end date respects the notice period that applies to the employer under the law, the employment contract or the collective agreement.

2.3 The parties intend this agreement to be a termination of employment that does not stand in the way of the employee's right to benefit under the Unemployment Insurance Act (Werkloosheidswet, WW). The employer will act consistently with this agreement if UWV asks for information.

Article 3 – End date and notice period

3.1 The end date has been set taking into account the notice period of [number] months that applies to the employer, counted from the date on which this agreement was signed by both parties, to the end of the month.

Article 4 – Garden leave

4.1 The employee is released from the obligation to work (vrijstelling van werk) from [date] until the end date.

4.2 During this period the employee keeps the right to full salary, accrual of holiday days, pension accrual and all other terms and conditions of employment.

4.3 During the garden leave the employee is free to apply for jobs and to attend job interviews.

Article 5 – Salary and variable pay

5.1 The employer pays the salary until the end date on time and in full.

5.2 Variable pay (such as bonus or commission) for the current year is set at € [amount] gross, or is calculated pro rata until the end date on the basis of [scheme], and paid with the final settlement.

5.3 With regard to shares, options or other equity awards (such as RSUs), the following applies: [for example: unvested awards vest on the end date / are treated as a "good leaver"].

Article 6 – Severance payment

6.1 The employer pays the employee a severance payment of € [amount] gross.

6.2 The severance payment is paid no later than [date / within one month after the end date], together with the final settlement.

6.3 The severance payment is treated as wages from employment, on which the employer withholds wage tax.

6.4 The parties declare that the statutory transition payment (transitievergoeding) [is / is not] included in the severance payment.

Article 7 – Holiday days and final settlement

7.1 On the end date the employee has [number] untaken holiday days. These are paid out with the final settlement, on the basis of the current salary including fixed components.

7.2 The final settlement also includes outstanding salary, holiday allowance, fixed allowances and outstanding expense claims, and is paid no later than [date / one month after the end date].

7.3 The employer will not set off any amounts against the final settlement or the severance payment, unless agreed in this agreement.

Article 8 – Pension

8.1 The employee's pension accrual continues until the end date, also during garden leave.

8.2 The employer confirms that until the end date the full employer and employee contributions have been paid and that no contributions are in arrears.

8.3 The employer will inform the employee in writing about the date on which participation ends, the consequences for the accrued pension rights and any options for voluntary continuation.

Article 9 – Company car and other facilities

9.1 If the employee has a company car, the following applies: [use until the end date / use until date / financial compensation of € amount gross].

9.2 The employee returns the laptop, phone, access passes and other property of the employer no later than on the end date. The employer will not charge costs for normal wear and tear.

9.3 The employee may keep [the mobile phone number / the laptop after the company data has been removed].

Article 10 – Illness

10.1 The parties declare that the employee [is / is not] unfit for work at the time of signing.

10.2 If the employee is unfit for work, the parties declare that this agreement has not been concluded because of that unfitness for work, but for other, independent reasons, and that the employee has been informed of the possible consequences of illness at the end of the employment for the right to WW and to sickness benefit (Ziektewet), and has been able to have this checked.

Article 11 – Non-compete and non-solicitation clause

11.1 Any non-compete and/or non-solicitation clause agreed between the parties lapses in full on the end date. [Alternative:] The clause is limited to [number] months, [area] and [specific relations].

11.2 The employer waives any claim to penalties for breach of the original clause, provided that the employee acts in accordance with this article.

Article 12 – Confidentiality and reference

12.1 The parties will keep the content of this agreement confidential. This does not apply to their own legal and financial advisers, the employee's partner, government bodies (such as UWV, the IND and the Tax Administration), and insofar as a statutory duty or legal proceedings require disclosure.

12.2 The employer will provide the employee with a positive reference letter stating the job title and the length of employment, and the parties will announce the departure as follows: [text].

Article 13 – Legal costs

13.1 The employer reimburses the reasonable costs of legal assistance that the employee has incurred in connection with this agreement up to € [amount] excluding VAT, on the basis of an invoice from the employee's legal adviser addressed to the employer.

13.2 This reimbursement is separate from the severance payment and does not form part of it.

Article 14 – Outplacement and training

14.1 The employer makes a budget of € [amount] available for outplacement or training, to be spent [before the end date / within a number of months after the end date], at the employee's choice. [Optional:] If the budget is not used, the employer pays [all / part] of it out as gross salary.

Article 15 – Relocation, sign-on bonus and housing (international employees)

15.1 The employer waives any claim to repayment of relocation costs, a sign-on bonus, study costs or other costs, regardless of what was agreed about repayment in the employment contract or another arrangement.

15.2 [If applicable] The employee may continue to use the housing provided by the employer at [address] until [date] on the current terms. The deposit is [returned to the employee / settled as follows: arrangement].

15.3 [Optional] The employer reimburses the costs of moving back to [country] up to € [amount], on presentation of invoices, if the employee moves before [date].

Article 16 – Residence permit and 30% ruling (international employees)

16.1 The parties have taken into account that the employee holds a residence permit as [highly skilled migrant / EU Blue Card holder / other permit], and that the end date affects the search period of that permit. The employee has had the opportunity to obtain advice on this.

16.2 The employer will provide, at the employee's request, the employment statements and other documents that the employee reasonably needs for a new residence permit application or for the continuation of the 30% ruling with a new employer.

16.3 The parties have taken into account that the end date may affect the employee's 30% ruling (Expat Scheme). The employee has had the opportunity to obtain tax advice on this.

Article 17 – Final discharge

17.1 After this agreement has been performed correctly, the parties grant each other final discharge (finale kwijting) with regard to the employment and its termination.

17.2 The final discharge does not cover:

- the rights and obligations that follow from this agreement itself;

- claims of which the parties could not reasonably have been aware at the time of signing;
- the payment of pension contributions until the end date;
- rights that by their nature only arise after the end of the employment, including rights under share or option plans as agreed in article 5.

Article 18 – Reflection period

18.1 The employee has the right to dissolve this agreement without giving reasons by a written statement to the employer within 14 days after the date on which this agreement was concluded.

Article 19 – Final provisions

19.1 This agreement is governed exclusively by Dutch law.

19.2 Amendments and additions are only valid if agreed in writing by both parties.

19.3 If one or more provisions prove to be void or voidable, the other provisions remain in force. The parties will consult in order to agree a replacement provision that corresponds as closely as possible to their intention.

Article 20 – Language

20.1 This agreement has been drawn up in [English / English and Dutch]. [If there are two versions:] In the event of any difference between the versions, the [English/Dutch] version prevails.

20.2 The employee declares that he or she has read and understood the full content of this agreement, in the language version that prevails.

Signature

Agreed and signed in duplicate at [place] on [date].

The employer: _____ [name and position]

The employee: _____ [name]

Next step

Using this template unchanged can lead to loss of WW rights, financial loss or consequences for your residence permit that you did not intend. Have your own agreement reviewed by an employment lawyer before you sign.

The first consultation is free and without obligation. Your employer often pays the costs of further legal assistance.

Free review of your situation: +31 85 4016 014 · www.vanleeuwenbos.nl/en/settlement-agreement/free-settlement-agreement-check/

Disclaimer

This document is general information under Dutch law, last updated on 28 November 2026. It is not legal advice and no rights can be derived from it. Every situation is different; have your own situation assessed. For the consequences for your residence permit we advise on the points we can and refer you to an immigration lawyer where needed.