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### PROPOSED 'NO SEVERANCE ULTIMATUMS ACT' COULD RESHAPE SEVERANCE NEGOTIATIONS FOR NEW YORK EMPLOYERS

*By: Cynthia L. Flanagan, Esq.*

New York employers may soon need to adjust their severance agreement practices if the proposed "No Severance Ultimatums Act" (Bill S372) becomes law. This legislation is designed to prevent coercive tactics in severance negotiations, granting employees of all ages significant time and protections when considering severance offers. These protections mirror those of the federal Age Discrimination in Employment Act/Older Worker Benefit Protection Act for workers who are 40 years of age and older.

#### "No Severance Ultimatums Act" Key Provisions

- **Extended Review Period:** Employers would be required to provide employees with at least **21 business days** to review severance agreements—significantly longer than current practices, where much shorter deadlines are common.
- **Revocation Window:** Employees would have **seven days** to revoke a signed severance agreement.
- **Right to Legal Counsel:** Employers must **explicitly notify employees** of their right to seek legal counsel before signing.
- **Prohibition on Coercion:** Agreements cannot be procured through **fraud, misrepresentation, or threats**, nor can employers attempt to modify the statutory revocation period.

#### Impact on Employers

If enacted, this bill would require employers to reexamine severance practices and introduce a more structured and deliberate approach to negotiations. Key considerations include:

#### Florham Park

220 Park Avenue  
Florham Park, NJ 07932  
973-539-1000

#### Paramus

115 West Century Road  
Suite 100  
Paramus, NJ 07652  
201-262-1600

#### Sparta

351 Sparta Avenue  
Sparta, NJ 07871  
973-295-3670

#### New York

9 East 40th Street  
New York, NY 10016  
646-652-7775

- **Longer Negotiation Timelines:** The 21-day review period will likely **extend the severance negotiation process**, requiring employers to plan ahead.
- **Increased Legal Consultations:** With an explicit right to consult an attorney, more employees may seek legal advice, leading to **greater scrutiny of severance terms** and potential counteroffers.
- **Heightened Compliance Risks:** Employers must ensure **severance agreements are free of coercive language or undue pressure** to avoid legal challenges.

*Our firm will continue to monitor the legislation and provide future updates and guidance including recommended actions if the legislation is adopted into law.*

For further information or to discuss, please contact Cynthia L. Flanagan, Esq. at [clf@spsk.com](mailto:clf@spsk.com).

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