

**Date:** [Insert Date]

**Employee Name:** [Insert Employee Name]

**Employee Address:** [Insert Address]

**Company Name:** [Insert Company Name]

**Company Address:** [Insert Address]

**Subject: Mutual Separation Agreement due to Medical Inability**

Dear [Employee Name],

This letter serves to formalize the mutual agreement between [Company Name] (the "Employer") and [Employee Name] (the "Employee") regarding the termination of the employment relationship, effective [Last Working Date].

Following recent medical assessments and discussions regarding your health status, it has been concluded that you are currently unable to perform the essential duties of your role as [Job Title] due to long-term medical reasons. Both parties acknowledge that reasonable accommodations have been explored and that no suitable alternative positions are currently available.

As a result, both the Employer and the Employee have mutually agreed to a non-disciplinary separation under the following terms:

- **Final Compensation:** You will receive your salary up to the effective date, along with payment for any accrued but unused vacation days.
- **Severance/Benefits:** [Insert details regarding severance pay, insurance extensions, or specific medical benefits, if applicable].
- **Company Property:** You agree to return all company-owned equipment (laptop, keys, ID badge) by [Date].
- **Confidentiality:** Both parties agree to maintain the confidentiality of proprietary company information as per the original employment contract.

By signing this letter, both parties release each other from any further claims or liabilities related to the employment contract, acknowledging that this separation is amicable and based solely on medical inability to continue work.

We thank you for your service and wish you the best in your recovery and future endeavors.

Sincerely,

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[Name of HR Representative/Manager]

[Title]

[Company Name]

**Acknowledgment and Agreement:**

I, [Employee Name], accept the terms of this mutual separation.

\_\_\_\_\_  
[Employee Signature]  
Date: \_\_\_\_\_