[Company Name]
[Address]
[City, State, Zip Code]

[Date]

[Employee Name]
[Employee Address]

Subject: Notice of Separation and Severance Agreement

Dear [Employee Name],

This letter serves as formal notification that [Company Name] has made the difficult decision to close the [Department Name] department. As a result, your position as [Job Title] will be eliminated effective [Termination Date].

In connection with this closure, the company is offering you a severance package to assist with your transition. To receive these benefits, you must sign and return this agreement by [Deadline Date].

1. Severance Payment:
The company will pay you a lump sum of $[Amount], equivalent to [Number] weeks of pay, less applicable taxes and withholdings. This payment will be issued within [Number] days of the signed agreement being received.

2. Benefit Continuation:
Your health insurance coverage will continue through [Date]. After this date, you will receive information regarding COBRA health insurance continuation.

3. Non-Compete Agreement:
As a condition of receiving the severance payment described above, you agree that for a period of [Number] months following your termination date, you will not, directly or indirectly, engage in any business or professional activity that competes with the specific business of [Company Name] within [Geographic Area/Radius].

4. Confidentiality and Non-Solicitation:
You agree to maintain the confidentiality of all company proprietary information and refrain from soliciting company clients or employees for a period of [Number] months.

5. Release of Claims:
By signing this agreement, you agree to release [Company Name] from any and all claims, known or unknown, arising out of your employment or the termination of your employment.

Please review this document carefully. We recommend you consult with legal counsel before signing.

Sincerely,

[Name of Manager/HR Representative]
[Title]
[Company Name]

Employee Acceptance:

I have read, understand, and agree to the terms set forth in this Severance and Non-Compete Agreement.

Signature: _____ Date: _____