

## SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

**Date:** [Insert Date]

**Parties:**

[Insert Company Name] ("The Company")

[Insert Contractor Name] ("The Contractor")

### 1. Purpose

This agreement settles all disputes regarding the Contractor's classification as an independent contractor rather than an employee during the period of [Start Date] to [End Date].

### 2. Settlement Payment

The Company agrees to pay the Contractor a gross total amount of \$[Insert Amount]. This payment covers alleged unpaid wages, overtime, benefits, taxes, and any other compensation arising from the misclassification claim.

### 3. Payment Terms

Payment will be made in the form of [Check/Wire Transfer] within [Number] days of the signing of this agreement. The Company will issue a [Form 1099/W-2] as required by law.

### 4. Release of Claims

In exchange for the settlement payment, the Contractor releases the Company from any and all claims, liabilities, or demands related to their employment status, wage violations, or breach of contract occurring prior to the date of this letter.

### 5. Confidentiality

The parties agree to keep the terms and amount of this settlement strictly confidential, except as required by law or for professional tax advice.

### 6. No Admission of Liability

This agreement does not constitute an admission by the Company of any legal violation or improper classification.

### 7. Governing Law

This agreement shall be governed by the laws of the State of [Insert State].

**Signatures:**

\_\_\_\_\_  
For the Company (Name and Title)

\_\_\_\_\_  
The Contractor (Name)