

Settlement Agreement Does Not Encompass Pending Workers' Compensation Claim Where Evidence Showed There Was No Intent to Include It

April 8, 2010

In this case, the Appellate Division held that a settlement agreement resolving an employee's discrimination and wrongful termination claims did not include a pending workers' compensation action. The court cited the conspicuous absence of any mention of the workers' compensation claim in the agreement, as well as the fact that both parties continued to litigate it for several years after the settlement agreement was signed.

Passaic Beth Israel Hosp. v. Perez, 2010 WL 771399 (App. Div., March 4, 2010) – In this case, the Appellate Division held that a settlement agreement resolving an employee's discrimination and wrongful termination claims did not include a pending workers' compensation action. The court cited the conspicuous absence of any mention of the workers' compensation claim in the agreement, as well as the fact that both parties continued to litigate it for several years after the settlement agreement was signed.

This case is a good reminder that when drafting settlement agreements, employers should take care to address all pending and possible claims, to the extent permitted by law.