

MONEY OFFICE POLITICS

How to quit with confidence: Everything you need to know about resigning



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13 March 2015 1:24am



If you walk away with confidential documents from your previous employer, expect them to come after you

If you follow these steps, you can quit your position with confidence.

Have you landed a dream job at a rival company? If so, are you about to have that awkward conversation with your boss? Before dropping the

bombshell, there are certain things that you ought to consider first.

Notice and timing

It is usually best not to resign until you have agreed terms with your new employer – and preferably signed the new contract. This will at least reduce the risk of you resigning and then things falling through.

Remember to review your notice provisions in your existing contract and make sure that any start date falls after the end of the notice period. After announcing your resignation, it is always a good idea to follow it up in writing, confirming your last date of employment.

Restrictive covenants

Check whether you have any restrictions in your current contract which could preclude you from joining the new business. For a certain period of time, your contract may prevent you from joining a competitor, from dealing with or soliciting the clients or prospective clients of your employer, or from soliciting or poaching your employer's staff. Only a non-compete restriction would stop you from joining a competitor at all.

The law is that restrictions must be reasonable and go no further than is necessary to protect the legitimate interests of the business. Non-compete clauses that, for instance, preclude employees from working for a competitor for 12 months have on occasions been held by the courts to be reasonable. But much will depend on the particular case, and you would be well-advised to obtain advice from your lawyer on the enforceability of any particular restrictions. It is sensible to tell a new employer of all possible restrictions – and sometimes this is actually a term of the new contract or the old one.

Bonuses

Bonuses are normally discretionary, and often contracts state that you will only be eligible if you are in employment on the bonus payment date and neither you nor your employer has given notice. So if you resign before the payment date, you may well not receive a bonus. You will need to weigh up whether it is better to put off the resignation until the cash hits your account or, if it's not much to get excited about, decide to resign anyway. But also be aware that sometimes bonuses can be deferred in the form of cash, stock or options and, in most cases, if you resign before the award vests, it would be forfeited.

Returning company property and abiding by

confidentiality obligations

On resigning, you will be expected to return property belonging to your employer, including confidential documents, before you leave. You will also normally have contractual obligations not to disclose any confidential, commercially-sensitive information to third parties. It is important, of course, that when you move on to pastures new you do not give your old employer any ammunition to come after you.

So if you have done the hard work and are about to make the next move, be careful not to mess it all up.

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