

Post-employment payment unusual, say lawyers

Although payments by instalment to employees after they leave a company are unusual, they are not unheard of, according to employment law experts, **writes Caroline Binham.**

Ronnie Fox, of Fox solicitors, said: "What an employer often wants is a hold over someone; an ex-employer may want to ensure compliance with certain obligations."

It is the nature of those obligations in the arrangement between News International and Andy Coulson, the former editor of the News of the World who was director of

communications for David Cameron, that is now in question. The terms of "compromise agreements" are typically a closely guarded secret. Keeping terms confidential often forms part of the arrangements.

"The implication is that he was paid not to say something," said Mr Fox. "But it's dangerous to jump to conclusions; there may have been a commercial reason."

Even if there was such a reason, it would be unusual to refrain from telling a subsequent employer about the payments, particularly if

there was a time overlap, employment lawyers said.

Mr Coulson's agreement with News International also involved the use of a company car and healthcare cover.

News International has to date paid Mr Coulson's legal fees in the wake of the police investigation into phone hacking at the News of the World.

A former employer picking up an individual's legal bill is not uncommon and can be part of directors' and officers' insurance, or part of an exit agreement, according to employment experts.