

The New York State Legislative Push for Minimum Review Periods in Severance Agreements

Mark A. Konkel

May 22, 2025

Employers are already familiar with the age-related requirements of federal law applicable to an employee's release of claims if the employee is 40 or older: they have up to 21 days to consider the release, and seven non-waivable days to revoke their acceptance if they sign. In a move that may affect how New York employers approach all employee releases, on March 4 the New York Senate passed the "No Severance Ultimatums Act" (Senate Bill S372), which if enacted would add a new section to the New York Labor Law requiring New York employers to provide for a 21-business day review period for all newly created severance agreements. The legislation will also provide for a seven-day revocation period.

Review and revocation periods for severance agreements are not a new concept. Currently, the Older Workers Benefit Protection Act ("OWBPA"), which modifies the Age Discrimination in Employment Act ("ADEA"), is federal legislation that offers similar protections for workers over the age of 40. Under the OWBPA, employees over 40 who sign severance agreements are entitled to a 21-day review (45 days for group layoffs) and seven-day revocation period. Importantly, the review period may be shortened via mutual agreement.

The proponents of S372 hope to extend the protections afforded by the OWBPA to all employees within the state. While this rationale is understandable, it is important to note that—as currently drafted—the No Severance Ultimatums Act would provide more protections than the OWBPA by increasing the mandatory review period from 21 days to 21 business days. Further, the legislation would apply to all New York workers, including small businesses, while the OWBPA currently only applies to employers with 20 or more employees.

This is not the first time New York has sought to impose specific limitations on employment-related agreements. In 2023, Section 5-336 of the New York General Obligations Law was [amended](#) to require the use of a 21-day review and seven-day revocation period for settlement agreements that included certain specific non-disclosure provisions in matters involving claims for discrimination, harassment, or retaliation.

The No Severance Ultimatums Act has not yet been signed into law but is currently pending review in the New York Assembly's Labor Committee. Absent further revisions, the law is expected to go into effect immediately if signed by Governor Hochul. As it is currently drafted, it is unclear whether S372 will have any retroactive effect on existing agreements.

We will keep an eye on this legislative development and provide an update if and when the bill goes

into effect. In the meantime, watch for updates on www.labor-days.blog or contact a partner in our employment law group.