Termination of Employment Letter Sample

[Company Letterhead]

[Date]

[Name of Employee]

[Address]

[Address]

[Address]

Subject: Termination of Employment

Dear [Name of Employee],

In follow up to our meeting on [Date], this letter is to inform you that your employment with [Employer Name] will be terminated effective [Date of Termination] (“Effective Date”) for [Termination Reason].

The following terms apply to your termination. Except as set forth in this letter, no other compensation or benefits will be provided to you.

Final Compensation

You will receive all of your unpaid wages in accordance with [State] law, [including but not limited to \_\_ days of accrued unused vacation days [PTO]], through the Effective Date. All payments will be subject to applicable deductions and withholdings required by law and paid

[Date and Method of Payment].

Benefits and COBRA Coverage

Your [family medical, dental and vision] insurance will terminate [End Date of Coverage].

Except as otherwise set forth below, all other benefits from [Employer], including any [Life

Insurance or Accidental Death and Dismemberment insurance], will cease on the Effective

Date. [Stock Options]

Employee will be provided with all requisite paperwork, pursuant to the Consolidated Omnibus

Budget Reconciliation Act (“COBRA”), necessary to elect continued group health insurance coverage at your expense. Your eligibility for COBRA will begin on [COBRA Effective Date].zW

Return of Property

You must promptly return all [Employer Name] property, including identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files, any other

Comment [1]: This letter assumes that the employee is not an executive of the company.

Additional provisions may be advisable when terminating an executive.

Comment [2]: Depending on the reason for termination, in most cases it is advisable to provide the termination letter in conjunction with or after a meeting with the employee. An employment lawyer should be consulted to help you determine who should attend the meeting and what should be discussed.

Comment [3]: It is important to follow best practices in terminating an employee. The termination letter is one of the last stages of this process. Please contact an employment lawyer to assist you in determining best practices for your company.

Comment [4]: If the termination date is in the future, you may want to enter into a termination or transition agreement or otherwise discuss ongoing obligations the employee has until the termination date.

Comment [5]: How you describe the reason for termination is very important and varies depending on the facts—please consult with an employment lawyer to make sure you are appropriately wording the letter and complying with applicable law. It may be best to provide a summary of the reasons, putting the employee on notice as to the particulars, but not intending to be exhaustive. It may also be good to identify any process that was followed, if applicable.

Comment [6]: This letter assumes that no employment agreement is in place. If an employment agreement with the employee exists, you should contact an employment ... [1]

Comment [7]: This letter also assumes that no severance will be provided. If severance will be provided, a Separation Agreement, rather than this letter, should be used. An ... [2]

Comment [8]: What needs to be paid and when is governed by state law. Please contact an employment attorney to determine what ... [3] Comment [9]: You need to determine what is required to be paid under company policies and applicable law. Comment [10]: Contact counsel to determine when payment needs to be made—some states require final payment to be made on the last day of employment.

Comment [11]: If the employee is a participant in a company stock option plan, it may be advisable to address how termination impacts those options and the applicable plan. Comment [12]: Contact counsel if you are not sure what paperwork needs to be provided.

Comment [13]: To protect the company, it is important make sure the employee does not retain any company property or proprietary information.

[Employer Name] property and information in your possession, any other materials of any nature pertaining to your work, and any documents or data of any description (or any reproduction of any documents or data) containing or pertaining to any proprietary or confidential material of [Company Name]. Please return this property and information to

[Contact Person] by the Effective Date.

Ongoing Obligations

Remember that you have signed the attached [Confidentially and Proprietary Rights Agreement,

Non-Compete Agreement, etc.] (collectively, “Restrictive Covenant Agreements”). The

Restrictive Covenant Agreements are enforceable and binding and remain in full force and effect in accordance with their terms.

If you have any questions about this letter or the attached agreement[s], please contact [Name]

at [Contact Information].

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Company Name]

[Name of Authorized Signatory]

[Title of Authorized Signatory]

[Date]