Termination Letter

Termination letters are used by employers to notify an employee that his or her employment with the company is ending. A termination letter should include the following components: notice of termination, reason for termination, description of the employee’s entitlements, description of the employee’s obligations, and conclusion.

1. **Notice of Termination:** Informs the employee that he or she is being terminated from the company. This should be one sentence.
   A. Provide the full name of the company.
   B. Provide the exact date of termination.
   C. Be direct. Deliver news of the termination as quickly and concisely as possible—“Your employment with (company name) will be terminated on (date).”
   D. Avoid using the first person “I” in this section, as this suggests that you have a personal involvement with the employee’s termination.

2. **Reason for Termination:** Inform the employee of the reason his or her employment is ending (layoff, violation of company policy, violation of safety standards, etc.).
   A. This should be one or two sentences.
   B. Be direct. State the reason up front, and do not use hedging or vague language.
   C. This is a delicate part of the letter. For legal reasons, you may not want to be too specific with the reason for termination.

3. **Description of the Employee’s Entitlements:** Advise the employee of any pay or benefits that the employee can expect after termination.
   A. The final payment will be mailed to the address on file for the employee.
   B. Any outstanding pay.
   C. Indicate how long the employee’s health care benefits will remain active (if applicable).

4. **Description of the Employee’s Obligations:** Advise the employee of any remaining obligation he or she has to the company.
   A. Inform the employee when he or she should be completely moved out of his or her workspace.
   B. Inform the employee of any office materials that must be returned (keys, etc.).
   C. If the employee signed a nondisclosure agreement upon employment, direct the employee to review that agreement.
   D. Inform the employee of any consequences he or she faces by not meeting these obligations.

5. **Conclusion:** Even in a termination letter, you want to maintain goodwill with the employee. Thank the employee for his or her contributions to the company. If appropriate, offer to serve as a reference for the employee during his or her search for a new job. Wish the employee luck in his or her search for future employment.