Step by Step – Drafting a Termination Letter

The termination letter is an important part of the firing process. It provides the employee with a formal document and also provides structure to the termination meeting. By following the letter, management will know exactly what to say and the company will be at less risk should the employee file a wrongful termination suit. A good letter helps management remain calm and professional no matter what the employee say or does in the termination meeting.

This document outlines several key elements to consider when drafting the letter.

Include the Reason

By including the reason in the letter, management clearly presents the facts to the employee. Without a stated reason, there leaves a void in the employee’s mind. He or she may fill that void with their own an explanation as to why they were fired. They will shed the best possible light on themselves and the worst on the company. If the employee does file a wrongful termination lawsuit, management will have a more difficult time defending its actions. Without a stated reason in the letter, a jury may seriously consider the employee’s made-up reason.

By including a reason for termination, the letter explains the basis for management’s decision. Of course beyond the letter itself, management must also build a solid case for termination by following the “Termination Process”. There is an article on this website on the “Termination Process”.

Include the Facts

Beyond the basic facts like the employee’s name and effective termination date, the letter should include the facts that back up the reasons for firing the employee. Management should summarize the steps taken in progressive discipline. The letter should briefly summarize the detailed documentation collected in trying to reform this worker. If the employee engaged in misconduct, briefly discuss the investigative procedure the company followed to prove it.

Describe the Event Leading to Termination

In the termination letter, include the triggering event that initiated the firing. Describe how the employee’s behavior negatively affected management, coworkers and the company. Also state the final incident that left the company with no other choice other than to fire this individual.

Wrap It Up

The letter should also explain the employee’s rights and responsibilities. For example, list when the employee will receive their final paycheck and any severance benefits. List any items the employee must do before leaving the building like returning keys, pass codes and company property. As a good gesture, include a line in the letter stating that the company wishes the person the best in his or her future endeavors.

Sign Off

The end of the letter should contain management’s name, signature and title. Also include a line at the end of the letter for the employee to sign to formally recognize that he or she received it.

Remain Objective

The entire termination letter must remain objective throughout. Do not give opinions on why the employee performed poorly. Stick to the facts. At the same time, the tone of the letter should be polite and professional as possible. It is also a good ideal to have your attorney review the letter before presenting it to the employee.

Sample Termination Letter – Notification Of Layoff

*(Date)*

*(Name)*

*(Address)*

*Dear (Name):*

Due to (Reason for Layoff, i.e. – lack of work) we find it necessary to undergo a reduction-in-force. Therefore, we are terminating your employment effective (Date). (Company Name) agrees to pay you through (Date), plus all unused accrued vacation. (Optional: We will also pay severance pay at the rate of (Number of Weeks) for each year of service up to a maximum of (Number) weeks).

You will receive your normal paychecks on (Date) and your final check on (Date). Normal direct deposit procedures will apply if you have already chosen that option. If you have not chosen this option, your check will be sent to your home. If applicable, make sure your final time card is filled out, signed and forwarded to Payroll immediately.

(Optional: In addition to above, (Company Name) will pay your medical insurance coverage through (Date)). All other benefits will cease as of (Date). However, you are eligible to extend your medical coverage for another 18 months. Further information will be sent shortly.

If you have any questions, please contact me.

Sincerely,

*(Name)*

*(Title)*