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The rationale for this principle is that it is in the public interest to encourage the Company and an employee to settle a dispute and avoid litigation wherever possible. Therefore, if the Company tries to settle a dispute under the cloak of without prejudice privilege, such communication cannot be used against the Company when the matter becomes before the courts.

#### WHEN NOT TO USE IT

If the Company relies on the "without prejudice" privilege, we must show that the dispute existed at the time of the "without prejudice "communication and that either legal proceedings had commenced or that the communication was in contemplation of litigation.

It is not enough that the communication concerns the matter in dispute for the privilege to be upheld - **the communication must attempt to settle the dispute**. This is very important. Just marking something "without prejudice" does not necessarily afford it protection. It is the substance of the document or correspondence that determines whether privilege attaches to it and so there has to be a genuine attempt to resolve a dispute.

#### WHEN TO USE IT

Labelling a document or discussion "without prejudice" should be used when such communication is putting forward terms to try to settle a dispute or shows a genuine willingness to negotiate. If communications are labelled "without prejudice" but have nothing to do with settlement negotiations, such communications will not necessarily be treated by the courts as privileged (i.e. they may be admitted as evidence in court).

#### **HOW TO USE IT**

If labelling a document "Without Prejudice" is warranted, include it in capital letters at the top of the document as shown in the following example:

January 15, 2020

WITHOUT PREJUDICE

Larry Seinfeld

<Company address or employee address>

<Hand Delivered>

### When to Use Each Type of Termination Letter

1. Paid Notice for Termination Without Cause or Permanent Lay-Off

Used for immediate terminations where a signed release needs to be obtained

2. Working & Paid Notice for Termination Without Cause or Permanent Lay-Off





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A signed Release is a legal agreement that protects both the employee and the Company from the risk of future legal action.

A Release can only be presented to an employee for signing when there is "consideration" (something of value that the employee is not already contractually or legally entitled to).

For example, if the employee's employment agreement stipulates that they will receive 4 weeks of notice upon termination without cause, the Company can't ask an employee to sign a Release in exchange for that 4 weeks unless the Company provides the employee with additional "consideration" because the 4 weeks is something the employee is already contractually entitled to.

Similarly, the Company can't withhold an employee's last pay, vacation or record of employment until they sign the Release because the employee is already legally entitled to these.

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For more information on your benefits and/or conversion of benefits please contact Benefits Provider phone number as soon as possible if you wish to seek individual coverage as there is often short deadlines by which benefits must be converted.

### **Outplacement Services**

The Company is committed to help you transition to a new job. As such we have engaged an outplacement consultant, Benefits Provider to assist you with resume writing and interview skills workshops.

### **Confirmation of Employment**

To help you transition to a new job, upon request, we would be pleased to provide you with an employment verification letter.

### **Company Property**

Please return any Company property to the Company immediately. This includes but is not exclusive to your door pass, office/desk keys, computer hardware, software and telecommunications equipment and accessories, files (both electronic and hard copies), credit cards, and documents belonging to and/or paid for by the Company that are in your possession or control other than such property as the Company has specifically advised you in writing that you may retain. Electronic copies of Company documents should be permanently erased and deleted from your personal computer systems.

### Confidentiality

We also remind you that even once your employment ends you will continue to owe a duty of confidence to the Company, and that the Name of Agreement - if applicable Agreement which you previously signed remains in place. That means you must not use or disclose, for your benefit or the benefit of another, information that is unique and confidential to the Company and not in the public domain such as intellectual property, financial information, actual or prospective transactions or business strategies.

We very much regret that we had to make this decision and have not done so lightly.

Sincerely,

Name of authorized manager or HR, Title

**CUSTOMIZER: Insert Company Name** 

Copy: Payroll, HR

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Although the working notice we are providing to you satisfies our obligations to you under the Insert relevant employment standards act, on a without prejudice basis and in order to assist your transition to new employment, we are prepared to provide you with the following additional severance payment (the "Severance Payment"):

- A. We will pay you a lump sum payment equal to # of weeks weeks of your base salary plus an amount in respect to RRSP contribution at percentage%, less required statutory deductions;
- B. We will continue your coverage under Company's Provincial Medical Plan group plan and Name of Insurer Extended Health and Dental Plan, subject to Name of Insurer approval and the terms of the benefit plans, for # of weeks weeks following the Departure Date; and
- C. We will continue your coverage under the Company's Employee Assistance Program (EAP), for # of weeks weeks following the Departure Date, subject to provider approval.

Please note that due to the terms of our benefit plans, we are unable to continue your Basic AD&D, Life, or Short-term and Long-term Disability benefits beyond the ending of your employment. These benefits will end on the Departure Date.

In order to receive the Severance Payment you must satisfy the following conditions:

- 3. You must sign and return to us a copy of this letter and the enclosed Release in your last week of work;
- 4. You must remain working diligently until the Departure Date. If you resign or are terminated for cause prior to that date, you will not receive the Severance Payment; and
- 5. You must keep the financial terms of the offer confidential, except that you may disclose them to your spouse and professional advisors, including legal counsel. A breach of this confidence will render this offer void.

### **Resignation or Termination before Departure Date**

We are hopeful that you will continue your employment with the Company until your Departure Date. Should you choose, however, to resign during the Working Notice Period, your employment with the Company will end immediately and you will be provided with any wages owing to that date. No further payments will be made to you.

Further, during the Working Notice Period, the Company retains the right to terminate your employment. If you are dismissed for just cause during the Working Notice Period, your employment with the Company will end immediately and you will be provided with any wages owing to that date. No further payments will be made to you. If during the Working Notice Period, the Company determines that it no longer requires your services until the Departure Date, it will advise you of same in which case your employment will end at an earlier date and the Company will provide you with:

- (a) payment equivalent to your remuneration had you worked until the Departure Date; and
- (b) the Severance Payment, subject to the conditions noted above, including your execution of the enclosed Release.

#### **Record of Employment**





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We look forward to working with you until your Departure Date. On behalf of Company Name, we wish to thank you for your service and dedication and wish you every success in the future. Please contact me if you have any questions or concerns.

Sincerely,

Name of authorized manager or HR, Title

**CUSTOMIZER: Insert Company Name** 

Copy: Payroll, HR

I have received a copy of the above letter.	
Signature - Employee Name	Date

### 3. Termination with Cause with No Severance

date

**Employee Full Name** 

Company Addess

Hand Delivered

Dear employee first name,

As discussed in today's meeting, we once again received a serious complaint about EXAMPLE: your interaction with a customer. As you are the first level of our customer service, how you interact with customers is a critical component of their satisfaction and retention.

You have been warned about EXAMPLE: your behavior on a number of occasions. Unfortunately, you have done nothing to correct this issue.

We cannot continue to put our business in jeopardy. As a result, your employment is terminated effective immediately. You will receive your pay until the end of today as well as any outstanding vacation pay.

Please indicate receipt of this letter by signing both copies and returning one copy to contact name. You may retain the other copy for your records.

We very much regret that we had to make this decision and have not done so lightly.





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9. We will also forgive the outstanding loan, allowance, etc placed on the date Promissory Note in the amount of \$ .00, which would likely result in a more favorable tax withholding than increasing the severance offered, which would first be subject to income tax withholdings.

If you are prepared to accept this offer, you will be required to sign the attached release by at least 4-5 days from the date of the letter.

We very much regret that we had to make this decision and have not done so lightly.

Yours truly,

Name of authorized manager or HR, Title

Insert Legal Company/Business Unit Name - Name on T4 and Pay stub

Copy: Payroll, HR

I have received a copy of the above letter.				
Signature - Employee Name	Date			

### 5. Temporary Lay-Off

date

**Employee Full Name** 

Company Addess

Hand Delivered

Dear employee first name,

Unfortunately, due to the current economic conditions and its negative impact on our business, this letter is to notify you of the temporary layoff of your employment with Formal Company Name (the "Company") effect today.

- As per the Insert Province Employment Standards Act, this temporary layoff may extend to a maximum of number of weeks.
- Your Company benefits will be maintained during this temporary layoff.





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Unfortunately, we regret to inform you that your performance did not meet the performance standards. As a result, your employment is terminated effective immediately. You will receive your pay until the end of today as well as any outstanding vacation pay.

Please indicate receipt of this letter by signing both copies and returning one copy to contact name by date - 3 business days from letter date. You may retain the other copy for your records.

We very much regret that we had to make this decision and have not done so lightly.

Sincerely,

Name of authorized manager or HR, Title

**CUSTOMIZER: Insert Company Name** 

Copy: Payroll, HR

I have received a copy of the above letter.				
Signature - Employee Name	Date			

### 7. Demotion

date

**Employee Full Name** 

**Company Addess** 

Hand Delivered

Dear employee first name,

As per our previous discussion(s) on date(s) regarding your current role as role, we write to confirm that we have determined that you are not meeting performance expectations based on the intended scope of your position. As discussed, the role requires skill set or goals.

In accordance with your employment agreement and the jurisdiction Employment Standards, we are providing you with EXAMPLE: 4 weeks' written working notice that your employment will terminate on date.

While your skills are not suitable for your current position, we value your knowledge and other expertise and are offering you the position of new role effective date. A new employment contract will be prepared for your signature to reflect this offer.





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# **RELEASE Template**

### RELEASE

FOR AND IN CONSIDERATION of the terms contained in the letter dated date and attached hereto (the "Letter"), and other good and valuable consideration, the receipt and sufficiency of which I acknowledge, I, Employee Name, HEREBY REMISE. RELEASE AND FOREVER DISCHARGE Formal Company Name including its past, present and future related and affiliated entities, predecessors, successors, assigns, partners, offices, board members, directors, contractors, employees, insurers and agents and each of their respective past, present, and future predecessors, successors, assigns, partners, offices, board members, directors, contractors, employees, insurers and agents (collectively, the "Releasees") from any and all manner of actions, causes of action, complaints, suits, debts, damages, covenants, contracts, bonuses, costs, expenses, compensation, rights, claims, and demands whatsoever, whether in law or in equity, relating to my employment with the Releasees or the cessation of that employment, and without limiting the generality of the foregoing, any claims or rights under the Insert relevant employment standards act, the Insert relevant Human Rights Code, and any other applicable provincial or federal legislation, any claims or rights for reinstatement, any claims or rights for severance pay or pay in lieu of notice of termination, damages for loss of reputation, loss of position, loss of status, loss of future job opportunities, and constructive termination, any claims or rights arising from the manner and timing of the termination, and any claims or rights under the weekly indemnity, short and long term disability, incentive and other benefit plans of the Releasees.

#### IT IS UNDERSTOOD AND AGREED that:

- By virtue of the terms of settlement contained in the Letter, I will have received all wages including, without limiting the generality of the foregoing, overtime pay, vacation pay, statutory holiday pay and pay in respect of termination of employment to which I am entitled under the Insert relevant employment standards act;
- the Releasees have satisfied all obligations to me under the Insert relevant employment standards act, and Insert relevant Human Rights Code in relation to my employment and the cessation of my employment, and there is no factual or legal basis for any claim or entitlement against the Releasees under any of those statutes;
- 3. the payment or payments to me by or on behalf of the Releasees are not to be construed as an admission of liability on the part of any of the Releasees, which liability is expressly denied;
- 4. this Release is executed by me and the said consideration is accepted by me for the purpose of making a full, final and irrevocable settlement of any and all claims or rights whatsoever and howsoever arising against the Releasees relating to my employment or the cessation thereof;
- I will not make any further claim or take any proceedings whatsoever against the Releasees or any other person, company, or other legal entity who might claim contribution or indemnity from the Releasees in respect of matters that are the subject matter of this Release;
- 6. the facts in respect of which the Release is made may prove to be other than or different from the facts now known or believed to be true, and I expressly accept and assume the risk of the





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Witness Signature	Date	





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### 2. Final Recall Notice - no Response

Send the following by email:

date

**Employee Full Name** 

**Company Addess** 

Dear employee first name,

We have attempted to contact you by email and phone several times, however our calls have not been returned when a message was left. By receipt of this final notice, we are advising you that your position has been recalled and you are expected to report to Manager's name at location, date and time to begin work.

It is important that you understand this offer of employment is contingent upon your contacting contact name in order to confirm arrangements. If you do not wish to return to your position, we ask that you convey this in writing to contact name.

Failure to respond to this letter, in any manner, by date will negate any further right to recall and will serve as notice of your desire to terminate your employment relationship with Company Name. In this case, your payroll documentation as well as your Record of Employment, which will be forwarded to Services Canada, will indicate that you resigned (quit) your position.

Should you choose not to return to your employ with Company Name, we would like to take this opportunity to recognize and appreciate your past contributions and wish you all the best in your future endeavours.

Please contact contact name if you have any questions.

Sincerely,

Name of authorized manager or HR, Title

### 3. COVID-19 Termination after Lay-Off (No Severance)

This is an example termination letter in the case where employment standards has included a clause in the statute that allows for termination to occur after the maximum lay off period has expired - without having to pay proper common law notice (severance), due a business closure or staffing reduction that is **directly** related to COVID-19 and there is no way for employees to perform work in a different way (for example, working from home), AND you're comfortable that the exemption applies to you.





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5. We wish to remind you that as a former employee you will continue to be subject to a duty of confidentiality to refrain from disclosing information regarding your knowledge of the operation of our business. You must not use or disclose, for your benefit or the benefit of another, information that is unique and confidential to the Company and not in the public domain such as intellectual property, financial and customer information, actual or prospective transactions or business strategies.

Should you have any questions regarding the contents of this letter, please do not hesitate to contact me directly. On behalf of everyone here, I want to thank you for your efforts and dedication on our behalf. We wish you all the best in your future endeavours.

Sincerely,

Name of authorized manager or HR, Title

**CUSTOMIZER: Insert Company Name** 

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