

Employment Task-Line

Creating a Termination Package

Topic Covered:

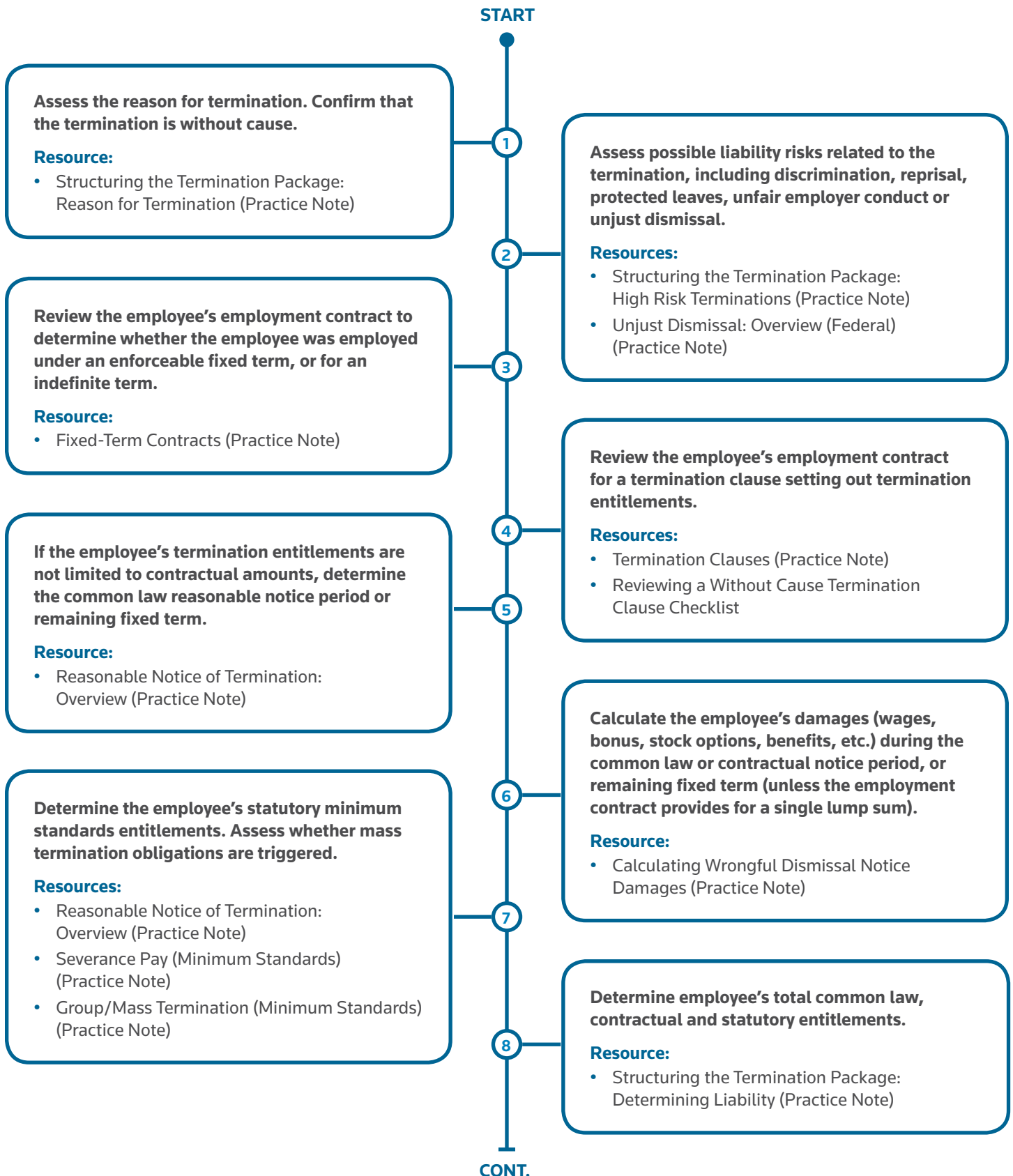
Employment: Termination

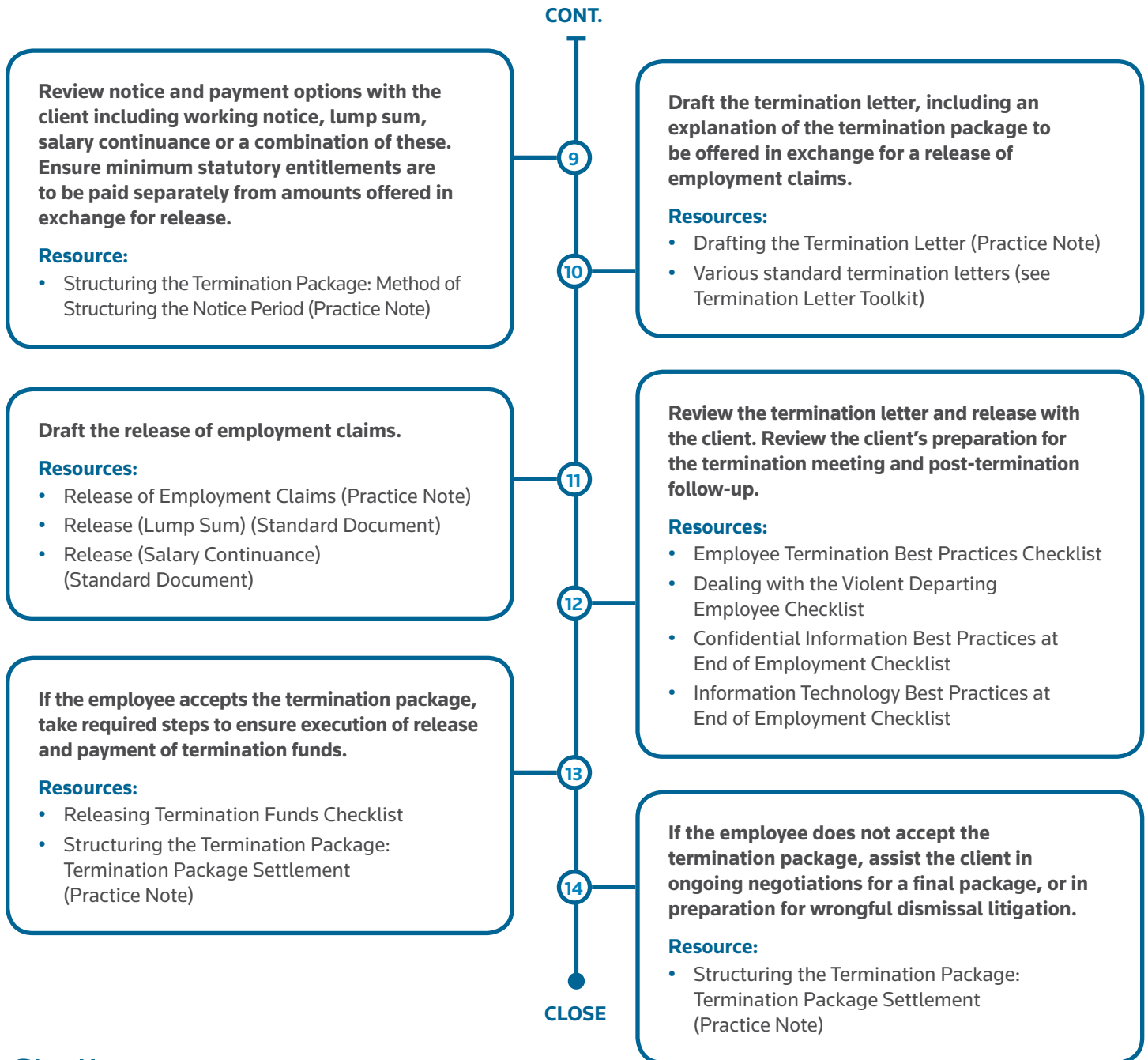
Scenario: Creating a Termination Package

A client has decided to terminate a non-unionized employee. The employee's position has become redundant and the client has decided to terminate the employment relationship. The client has asked you to create a termination package to offer to the employee. The client needs help understanding employee entitlements that must be addressed in the package. The client has also asked for a letter to provide to the employee explaining the termination, and providing details regarding the package being offered in exchange for a release of employment claims.



Employment Task-Line: Creating a Termination Package





Challenges

Managing Client Expectations

The client expects a high quality work product to be produced quickly. A termination may be time-sensitive due to the client's desire to onboard a replacement, an approaching sale of business, employee compensation timing, or for any number of other reasons. Counsel must work efficiently to reduce a complex history of employment into a termination package in a short period of time.

Client's Budget

Despite the large number of issues to be surveyed, a termination package may not have a high monetary value. The client will expect the cost of the work to be proportionate to the value of the termination. Counsel should use junior associate and student time to lower the cost to the client, so long as client does not pay for on-the-job training. Associates and students should be given the tools they need to produce high quality work at a low cost.

Expertise

Counsel's role in creating a termination package involves more than surveying and drafting relevant documents. Counsel may need to survey the client's reasons and plans for carrying out the termination to ensure hidden liabilities are not triggered. To prepare for communications with the client, counsel may need to quickly refresh him/herself in best practices related to terminations.

Resources

Practice Notes

- *Extraordinary Damages: Overview*
- *Just Cause Dismissal: Overview*
- *Reasonable Notice of Termination: Overview*
- *Unjust Dismissal: Overview (Federal)*
- *Calculating Wrongful Dismissal Notice Damages*
- *Deducting Collateral Benefits from Wrongful Dismissal Damages*
- *Drafting the Termination Letter*
- *Group/Mass Termination (Minimum Standards)*
- *Mitigation of Wrongful Dismissal Damages*
- *Notice of Termination (Minimum Standards)*
- *Release of Employment Claims*
- *Severance Pay (Minimum Standards)*
- *Structuring the Termination Package*
- *Terminating an Executive: Key Compensation and Benefits Issues*
- *Termination Clauses*

Standard Documents

- *Continuing Obligations Letter (Departing Employee)*
- *Continuing Obligations Letter (New Employer)*
- *Letter Offering Work in Mitigation of Damages During Notice Period*
- *Letter Requesting Employment Insurance Overpayment Information*
- *Letter Serving Notice and Offering Employment on New Terms*
- *Release (Lump Sum)*
- *Release (Salary Continuance)*
- *Termination Letter (Contract with Termination Clause)*
- *Termination Letter (Just Cause)*
- *Termination Letter (Lump-Sum Payment)*

- *Termination Letter (Minimum Standards Only)*
- *Termination Letter (Multiple Options)*
- *Termination Letter (Salary Continuance)*
- *Termination Letter (Working Notice and Lump Sum Payment)*
- *Termination Letter (Working Notice and Salary Continuance)*
- *Termination Letter (Working Notice)*

Checklists

- *Conducting a Group/Mass Termination Checklist*
- *Confidential Information Best Practices at End of Employment Checklist*
- *Dealing with the Violent Departing Employee Checklist*
- *Employee Termination Best Practices Checklist*
- *Information Technology Best Practices at End of Employment Checklist*
- *Reference Chart: Calculating Termination Pay (Minimum Standards)*
- *Reference Chart: Group/Mass Termination Notice Period (Minimum Standards)*
- *Reference Chart: Notice of Termination (Minimum Standards)*
- *Releasing Termination Funds Checklist*
- *Reviewing a Without Cause Termination Clause Checklist*

Toolkits

- *Termination Letter Toolkit*
- *Wrongful Dismissal Toolkit*

Articles and Legal Updates

- *Ontario Court of Appeal Brings Clarity to Termination Clauses*
- *Webinar: Managing Wrongful Dismissal Risk*
- *Another Reminder That Fixed-Term Contracts Can Prove Costly*
- *Employer Financial Troubles Do Not Reduce Notice Period in Ontario*

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