

Employee termination letter template

How to write a termination letter

Letting someone go is a difficult job, and it's key to ensure employees don't feel cheated or degraded. If your evaluation or disciplinary processes work well, the employee should have had some warning that a termination may be coming. Make sure to arrange a brief meeting with the employee to let them know they're fired, before you send them an official 'termination of employment' letter.

There are also cases in which you need to let go of employees temporarily – this is also known as furloughing. An employee furlough is mandatory unpaid or partially paid time-off, during which employees are usually eligible for unemployment and other benefits, such as health insurance. Several causes many lead to furloughs, for instance cost reduction or organizational restructuring. You should inform employees about this arrangement via an 'employee furlough' letter.

Both letters should be written with two elements in mind: tone and compliance. It's to everyone's best interest to close (or pause, in the case of furloughs) your employment relationship with the employee on good terms (except if you're [terminating them for cause](#)), and a fully compliant furlough or termination letter helps reduce risk of lawsuits.

So, here are some things to pay attention to:

- Consult a lawyer to make sure you're legally allowed to terminate this employee and learn more about relevant terms. For example, in some countries, you're required to give ample notice, severance pay or reasons for termination. Also, if it's a layoff or a furlough, there might be specific regulations involved.
- Decide on what the last day before the termination or furlough should be with their manager or head of department.
- Collect all policies that are in effect after an employee has been terminated or furloughed, so you can remind them in your letter.
- Use our sample letters as guides, but be mindful of the tone of your final customized version. Be sensitive, but firm. If possible, ask a fellow HR colleague to read the letter and let you know if anything sounds wrong.

Here's our termination letter template:

Dear *[employee_name]*,

I'm sorry to inform you that as of *[termination_date]*, you'll be no longer employed with *[company_name]*. As discussed, we think this is the best decision, because of *[insert reason]*

for termination]. [*This is the final step in our disciplinary process/ a decision we made after the end of your Performance Improvement Plan launched on _date.*]

From [*termination_date*] on, you won't be eligible for any compensation or benefits associated with your position. Please return [*company property that must be returned*] before [*date*] to the Human Resources office.

You are entitled to your salary up until [*termination_date*] and we'll also compensate you for your remaining vacation days. We'll also provide severance pay that will amount to [*amount*]. [*You'll receive a separate letter with the complete details of compensation or other related information you're entitled to receive from us.*]

Please keep in mind that you have signed a non-compete, non-solicitation and non-disclosure agreement. If you have any information about our customers, employees or other stakeholders stored on paper or on your personal devices, you must delete it immediately.

If you have questions or clarifications, I'm at your disposal for up to [*five*] working days after your last day of employment.

We wish you best of luck.

[*Your name and signature*]

A full termination letter example

Dear Mr Thomas,

I'm sorry to inform you that as of 12/3/2018, you'll be no longer employed with Acme Inc. As discussed, the reason behind this is your reduced performance the past six months. We made this decision after the end of your Performance Improvement Plan, which we launched on 07/03/2018.

From Dec. 3 on, you won't be eligible for any compensation or benefits associated with your position. Please return your swipe card, company cell phone and laptop by 5 pm on Dec. 3 to our HR office.

You are entitled to your salary up until Dec. 3 and we'll also compensate you for your remaining vacation days. We'll also provide severance pay that will amount to two monthly salaries. You'll receive a separate letter with the complete compensation details and information about your health coverage (as per Consolidated Omnibus Budget Reconciliation Act or COBRA).

Please keep in mind that you have signed a non-compete, [non-solicitation](#) and non-disclosure agreement. If you have any information about our customers, employees or other stakeholders

stored on paper or on your personal devices, you must delete it immediately.

If you have questions or clarifications, I'm at your disposal until the end of next week.

We wish you best of luck.

Elijah Burns

Here's our employee furlough letter sample:

Dear [employee_name],

I'm sorry to inform you that your position will be put temporarily on furlough due to urgent business conditions, from [date] to [date]. Hopefully, we'll be able to restore your employment after this critical time.

Here's what to expect:

- During this time you will [not receive any payments/receive a x% reduction in your salary] from the company. [You must also entirely withdraw from your working duties.]
- If you receive employee benefits such as health or car insurance, the company will continue to pay them.
- You may be eligible for unemployment benefits under certain criteria. Contact the [state unemployment department] for more information.
- Your current PTO balance will remain the same. You can use your time off during this time if you wish to.

We commit to do our best to bring you back as soon as we can. If you need any clarifications, feel free to reach out to [me/HR] or [manager_name].

We wish you the best of luck.

[Your name and signature]

A full furlough letter example

Dear Mr Thomas,

I'm sorry to inform you that your position will be put temporarily on furlough due to urgent business conditions, from 12/3/2018 to 15/6/2018. Hopefully, we'll be able to restore your employment after this critical time.

Here's what to expect:

- During this time you will not receive any payments from the company. You must also entirely withdraw from your working duties.
- The company will continue to pay your health and car insurance.
- You may be eligible for unemployment benefits under certain criteria. Contact the [State of California Employment Development Department](#) for more information.
- Your current PTO balance will remain the same. You can use your time off during this time if you wish to.

We commit to do our best to bring you back as soon as we can. If you need any clarifications, feel free to reach out to me or Mr Brown.

We wish the best of luck.

Elijah Burns

Related resources:

- [Policy: Termination of employment](#)
- [Policy: Temporary layoff](#)
- [How to fire an employee gracefully](#)