

# ADVICE ON SEPARATIONS



OVER 25 YEARS OF EXCELLENCE



Career Transition Solutions for Individuals & Organizations in Change

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## Introduction

Business and transition planning include three key components:

- 1) *Determination of product strategy and direction.*
- 2) *Review of work efforts and processes.*
- 3) *Development of a new budget and evaluation/ deployment of resources based on this review.*

Senior Management has moved beyond product strategy planning and into a review of work efforts and processes. Skill sets of employees affected by this review have been matched against current open positions, and where possible transfers have occurred. Nevertheless, you may soon find yourself in the position of having to notify one or more employees that his/her position has been eliminated and no other opportunity presently exists within the organization. Their position has been eliminated and he/she are being separated from the organization.

These guidelines focus specifically on notifying employees of job elimination as a result of a reduction in force, which usually means a “no fault” separation. Your role is *critical* for the separated employee, for those who remain, for the organization at large and for your own managerial credibility.

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**OBJECTIVES  
OF THE  
SEPARATION  
MEETING:**

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- 1) To inform the employee in a straightforward and sensitive manner that his/her job is being eliminated.
- 2) To provide details of the separation and severance agreement including outplacement support.
- 3) To ensure professional and respectful handling of each separation.

Your attitude, knowledge and skill in conducting this meeting may enhance the separated individual’s ability to move towards new employment more quickly than might otherwise happen. The secret is *preparation* for the meeting – knowing what to say and what not to say. To convey the decision in the best possible way you must

know your audience, choose the right words and be ready for tough questions and reactions.

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**KEY  
ELEMENTS OF  
A  
SUCCESSFUL  
MEETING:**

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- 1) Planning the communication of the corporate decision.
- 2) Informing the affected employee.
  - *Provide facts clearly.*
  - *Present the decision as final.*
  - *Describe the separation package and listen to employee reactions.*
  - *Acknowledge you hear what he/she is saying, and validate their emotions.*
  - *Offer support and encouragement.*
  - *Treat each employee as an adult – with dignity and respect. Be professional yet compassionate.*
  - *Treat each employee as you would want to be treated.*

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**KEY  
ELEMENTS OF  
A MEETING  
PREPARATION:**

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- 1) Mentally review what you are going to say and what the possible responses might be.
- 2) Take a minute to gather your thoughts before the meeting.

Remember, this action is a fact of business life – no shame, dishonesty, guilt, morality or question of ethics is involved. It has been demonstrated repeatedly that a successful meeting will result in a more productive transition. Your ability to believe this, the organizations, severance support and your acceptance of the responsibility for protecting the organization will determine your success in this tough assignment.

## Planning

### PRE-NOTIFICATION

You may feel resistant, guilty, angry, nervous, compassionate and/or vulnerable. These are normal human reactions to a stressful event. However, keep in focus that serious business reasons have necessitated that this action be taken. As a leader, you must accept the responsibility to fulfill the plans which have been, or will be presented. Your role is an important one for both the separating employee and the company. Preparation is your key to success.

***Recognize your Emotions***

Ask any questions which occur to you in order to be as clear as possible about what is going to happen, who will be affected and why. You should be familiar with:

***Review all of the Information and Materials Provided to You***

- Reasons for the Reduction in Force.
- Severance Information Document.
- The Schedule of Events.
- Future Plans of the Organization.
- The Question and Answer Document.

***Identify an Appropriate Room***

The room should be private with no windows facing work areas and with at least two chairs and a desk or table. Whenever possible, the chairs for the notifier and other company personnel should have an easy exit from the room. A telephone, all necessary materials, tissues, etc. should also be available. A neutral location is the best choice. In a large-scale downsizing rooms may not be available. Quiet areas with less traffic may be a second choice.

A formal approach is more respectful and less shocking than a casual, "Say, do you have a minute?" In many instances you may not have the time to do this as you may be provided with a very specific agenda and timetable. It is truly important that you follow the plan is provided as faithfully as possible.

***Schedule a Private Discussion***

***Rehearse your  
Presentation***

Think about each person you must inform and try to anticipate reactions. If you have special concerns about any employee, seek guidance before the meeting. Also try to say the words out loud prior to the actual meeting. Role-play your script with a colleague, manager or HR representative if possible. If not, close your door and speak out loud. It will help you immeasurably when you are face to face with an employee.

***Maintain  
Confidentiality***

Prior to the notification do not share information related to the separation other than with management or Human Resources.

## Implementation

### THE FIRST STEP – INFORMING THE EMPLOYEE

When the employee comes in the office, rise to greet him/her and close the door. If possible, sit next to the employee, not behind a desk. Move directly into the purpose of your meeting. Small talk at this time is not appropriate. The employee will be very anxious and deserves to learn what is happening.

Here are a couple of suggested opening statements:

*“Following an extensive review of the budget needs of the organization, we are announcing a reduction in the workforce. As a result, your position is being eliminated. This means your employment is being terminated effective today.”*

OR

*“As you know, the decision has been made to reduce the organization’s workforce in light of our present financial and business consolidation situation. As a result of this downsizing and reorganization, your position has been eliminated. No alternative positions are available. This means that your position is being terminated effective today.”*

It is critical that you deliver this message clearly. While this may seem harsh, it is the correct approach. Employees may be so upset that they won’t absorb what you are saying. The clearer you are, the easier it will be to grasp. At this point you are likely to witness a variety of reactions from the employee. You have communicated the decision; now your role requires that you *listen*.

### Employee Reactions

Allow some time for the individual to react and raise questions. Although you may be uncomfortable and anxious for the meeting to be over, respect the employee’s feelings.

***Allow Time and Listen. Rehearse Responses***

Be a patient and attentive listener, allowing the employee to vent frustrations and hostility while sharing anxieties. Acknowledge, by nodding or restating, that you hear what he



or she is saying and accept it as a legitimate reaction. Supportive listening is the most compassionate response. Keep the meeting brief -- 10-15 minutes maximum.

You should be prepared for questions and rehearse standard responses (see Question and Answer Attachment). Avoid going beyond these responses, particularly if you are unclear about something, disagree with a position taken by the organization or simply don't know. Tell the employee you will get an answer, and get back to him/her as soon as possible.

Give the employee the materials you have detailing all benefits and terms of the separation. You do not need to go into the details of this information at this time.

*Provide written information*

Each employee can receive more detailed information from Human Resources later. Be cautious that you don't offer help that you cannot or do not intend to deliver. If you make any such commitments, write them down so you can act on them later. Don't try to alleviate your guilt by overextending yourself. Saying less now and doing more later may be a better strategy.

*Remain calm, acknowledge feelings and stick to facts*

The impact of a termination is powerful. Employees may react with anger, sadness, confusion, disbelief, numbness, fear or a host of other responses. News of the loss of a job affects different people in different ways -- sometimes in very surprising and unexpected ways, even in great extremes. The best advice is to remain calm and in control. Acknowledge the feelings and help the individual to stick to the facts at hand.

**What to Expect When You Say "You're laid off."**

"Mike, your position is being eliminated." What happens next? Does Mike get up and walk out? Does he start to cry? Stare in disbelief? Start to laugh? Does he become violent? Or does he sit there and say nothing? These are a few of the reactions you might anticipate in a termination meeting.

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**COMMON REACTIONS**

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The most predictable response to a termination shows some hurt and disappointment, and possibly some anger. Most typically, soon after notification, employees display passive acceptance and show a normal concern for survival, often asking for help or support. Allow the employee to express feelings.

Many employees feel the loss of association, not just a job. The employee may break into tears. Allow those who are overcome by their feelings to cry. Don't try to stop them by promising special treatment or creating false hope. Silence is usually the most supportive reaction from you. Most people will compose themselves fairly quickly. Offer tissues and water.



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**ANTICIPATED LAYOFF  
REACTION**

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These employees saw it coming because in any transition, employees know that layoffs are likely, but they just don't know when. These people will be very interested in quizzing you on the details of the severance package. They might express relief at finally having the period of uncertainty over.

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**SADNESS OR  
DEPRESSION  
REACTION**

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A common reaction is tears. The person who cries is venting emotions and will be able to move on much faster than the person who keeps it all inside. Console the individual, empathize but don't apologize for the actions of the company. An apology implies the company did something wrong. Reinforce the fact that the decision was a difficult but necessary one for the long-term well-being of the company. Let the person cry, show respect, offer tissues and allow the employee time to compose themselves in the privacy of the meeting room.

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**TOTAL DISBELIEF OR  
SHOCK**

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These employees say nothing and essentially enter a state of shock. Physical characteristics such as paling complexion, sudden perspiration and shallow breathing are apparent. They might repeat one particular phrase such as, "You can't do this to me," over and over. They will be able to respond to yes or no questions, but it will be difficult to draw them into a meaningful conversation.

It may be helpful for the employee to verbalize their feelings and anxieties about being laid off. A person in this state of shock could do substantial harm to themselves unintentionally. This shock is usually caused by the threat that the termination poses to some aspect of their life. Offer the telephone number of the EAP counselor. Immediately advise the outplacement consultant of employee's frame of mind. Do not attempt to handle a situation that appears to be beyond your capability.

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**EUPHORIC REACTION**

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These employees react in an almost festive, upbeat manner. They go along with being laid off as they might go along with any suggestion given by the boss. They may be disoriented and will often not attempt to leave the building. It may be wise to escort the employee out of the building and arrange for removal of their personal property at a later date, preferably after-hours.

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**VIOLENT REACTION**

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Although not common, this reaction is anticipated with trepidation by everyone. The responses can range from shouting and screaming obscenities to threats of legal reprisal to actual physical violence. The latter is extremely rare, but does occur on occasion. We have all read about such incidences in the paper.

Violent reactions may indicate serious problems and the need for professional help. In the unlikely event that an employee becomes hysterical or violent, stay calm and immediately implement emergency procedures. Tell the employee that

you will not tolerate violent or aggressive behavior. Do not get defensive; be firm. Let them know that you are calling for assistance.

If there is a strong suspicion **(based on previous behavior)** that violence might occur, the company may arrange for on-site security. If you anticipate the potential for violent behavior, arrange the room so that you as the manager are by the door.

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These reactions are listed in the order that they are most likely to occur; the common reaction, anticipated reaction, sadness/depression and reactions of total disbelief/shock occur most frequently.

When outplacement consultants are invited to be present on announcement day; it is part of their role to absorb and respond to the above reactions. It is part of their daily experience. Reactions which may appear very foreign to you will be more familiar to the outplacement consultants.

## Prepare Yourself

Review each person's package before the meeting

Mentally review what you are going to say; then practice aloud.

Consciously attempt to relax (deep breathing, visualizing a successful discussion or other techniques).

Treat people as adults during the meeting. Demonstrate courtesy and express gratitude for prior contributions.

Manage the discussion the way you would like a family member of best performer to be notified.

Maintain focus -- Remind yourself that this action represents a business decision and is undertaken in the context of job responsibility.

Stick to the script, and remain professional.

People affected by Job Loss typically have three immediate post-notification issues:

- What's happening?
- Why Me?
- What's Next?

## Tips for Effective Discussions

### Do's

- Prepare. Choose a private setting.
- Be direct; begin immediately.
- Acknowledge displays of emotion. (Pause. Say, "*I know this is very hard.*")
- Know the limits of your role. Refer the person to Human Resources or consultants.
- Know emergency resources
- Stick to the script; refocus on key topics. ("*We're not here to talk about X. We need to focus on Y.*")
- State the company's position in a matter-of-fact tone and with neutral language.
- Offer future help with networking or job leads if you are willing and will follow through.

### Don'ts

- "Wing it" or "Beat around the bush."
- Confront the person with work history/errors.
- Discuss performance, age, gender, marital status, income, seniority, race, ethnic background, attendance or health. Don't tell people how to feel.
- Generalize about the group being affected or discuss the status of other employees.
- Say you know how they feel, unless you can cite your own recent job loss, or tell people how to feel.
- Debate the decision.
- Offer false hope or make promises.
- Spend more than 10 or 15 minutes in the conversation.
- Forget to tell the person about the next step.

End with focus on outplacement support and express your confidence that the individual can meet the future successfully.

Anticipate the following typical responses and plan your reaction.

## Managing Reactions

ANGER	<ul style="list-style-type: none"><li>• Accept and acknowledge; don't criticize or dismiss.</li></ul>
REQUEST FOR REPRIEVE	<ul style="list-style-type: none"><li>• State that this is a final business decision.</li></ul>
TEARS	<ul style="list-style-type: none"><li>• Accept, acknowledge, offer tissue, offer time to compose (in office).</li></ul>
REQUEST TO NEGOTIATE SEVERANCE OR OTHER TERMS	<ul style="list-style-type: none"><li>• State that benefits are consistent and not negotiable; refer questions to Human Resources.</li></ul>
VIOLENCE	<ul style="list-style-type: none"><li>• Notify Human Resources and the outplacement consultant of relevant history in advance of meeting.</li><li>• If violence or extreme emotional reaction is anticipated, collaborate on security issues including notification site and special arrangements.</li><li>• If violence or extreme reaction occur, call Human Resources, the consultant, your manager or 911.</li></ul>
MEDICAL CRISIS	<ul style="list-style-type: none"><li>• Human Resources and consultant will have emergency numbers and solutions.</li></ul>

## Sample Questions to Anticipate

*How can you do this when my performance has always been good? OR - No one has ever criticized my performance.*

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This action is not about performance; it's about the business.

*But what about my workload? We're so busy.*

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I appreciate your asking about that, and that's something I'll have to deal with.

*Is (Name) affected?*

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I can't discuss other people's status, as I would not discuss yours. We're trying to be respectful to all involved.

*I want to see the list of people affected.*

---

Privacy is an issue, so we don't publicize this information.

*May I have the phone number of (Name); I already heard she was notified.*

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I can get a message to her for you, or if the outplacement workshop, you can arrange to exchange numbers yourself.

*Are there other jobs in the company for me?*

---

We fully reviewed available openings and there's nothing at this point.

*I'm going to call an attorney.*

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I understand your feelings.

*What about references?*

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All reference calls that come in are referred to Human Resources. They can confirm dates of employment and job title. (MANAGERS – there are no “personal” or “individual” references.) This may vary from company to company. Check with Human Resources for your company's approach.

*I want to see my personnel file.*

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Contact (Name) in Human Resources.

## Suggested Comments

### *What's happening?*

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As you know, (Employee Name), our business has changed due to changes in the marketplace and for this reason we now have to reduce our staffing levels.

This means that your position has been eliminated and your employment is ending. I want you to know that this decision has been carefully reviewed by senior management and has not been taken lightly.

### *Why me?*

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I thank you for the contributions you've made here throughout your employment. I also want to move ahead with discussing your separation.

*Optional – Use if Appropriate* – We reviewed each person's skill set in light of the current projected business needs.

This letter and separation agreement are a formal notification which discuss key issues about your separation. I'd like you to take this home and review it. (Pause).

Information about health insurance and severance pay is included, together with your paycheck.

*Optional – Use if Necessary* – (Name) of Human Resources is available today in (location) to answer questions. Or – If you have any questions later, call (Name).

### *What next?*

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I want to emphasize the importance of taking advantage of career planning/job search services available through **Transition Solutions**.

(Consultant Name) of **Transition Solutions** is here today to meet with you for a few minutes. Here is a package of information about your outplacement support and the services being offered.

Let's head over now so I can introduce you to (Consultant Name) and confirm your services. ... *After Introduction* ... Goodbye (Employee Name). I wish you well in the future.



## CONCLUSION TO THE MEETING

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Conclude the separation meeting with something like: “*Do you have any questions now?*” When the employee has raised all the questions he/she has at the moment and seems reasonably composed, explain the next steps very clearly. Explain the organization’s position with regard to vacating the office, packing up personal materials, returning property, etc. (check with your Human Resources representative if you are unsure of this procedure). Be sure to know whether you, the manager, or the human resources representative will collect keys, credit cards, etc.

The total meeting time should generally keep to 10 or 15 minutes. A longer meeting usually makes matters worse, not better. When closing rise from your seat which will cue the employee to do the same, and accompany the person to the Human Resources representative or outplacement counselor. When you feel it is appropriate, you may make a supportive closing statement such as, “*I appreciate the contributions you have made here; and if I can be of any assistance, please let me know.*”

While this guide has mainly focused on planning and implementing a successful separation meeting, managers should remain cautious about issues that could have legal and ethical implications.

Remember – Treat each employee with **DIGNITY, RESPECT AND PROFESSIONALISM.**

Review the Termination Checklist to ensure all necessary items are completed. If you have questions regarding the material, contact your local Human Resources representative.

## Termination Checklist

### *To be checked prior to termination meeting.*

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- Is a copy of the Confidentiality Agreement signed by employee on file? If not, consult the corporate attorney.
- Check for outstanding loan balances [401(K), car, home, etc.].

### *The Manager or HR Representative is responsible for collecting the following items from the terminated employee at the time of termination.*

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- Corporate credit or corporate telephone cards.
- Office keys and security entrance cards.
- Computers, cell phones, blackberries, other equipment and software (if employee has equipment at home, make arrangements for drop-off).
- Procedures and systems manuals or other proprietary documentation.
- Request return of employee handbook (check with Human Resources).

### *The Manager or HR Representative should also notify other parties to address the following security issues:*

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- Instruct internal systems department to eliminate access to network including remote email.
- Instruct appropriate department or individual to delete name from phone/mail system – both internally and externally as appropriate.
- Notify external security department to remove the terminated employee's building access code.
- For terminating Officers and Financial personnel, notify banks and other financial institutions of need to change corporate signature card.**
- Instruct switchboard operator and alternates of proper handling/routing of incoming calls.
- Plan communication of situation – to direct reports, affected site, other sites.

# Transition Planning

## SAMPLE COMMUNICATIONS

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Providing frequent and timely communications during a transitional process is a key factor in a successful restructuring. The questions and answers on the following pages address many of the concerns that employees will have throughout the process. We recommend the following sets of communications:

### **A. Pre-Notification to All Employees**

To address anxieties that people are feeling in anticipation of the layoffs. Rumors of the restructuring have likely resulted in lower employee productivity. A communication recognizing these concerns (whether answers have been formulated or not) will ease some of the anxieties and improve productivity. The key to preserving morale during layoffs is to demystify the process for your employees.

### **B. Management Training**

These are questions that we anticipate affected employees might ask managers during the termination meetings. It is important that these questions be answered decisively and consistently. This set of Q & A's should be reviewed in management training sessions before termination discussions and should be included in the manager's packages.

### **C. Surviving Employees – Post RIF**

The primary goal of this communication is to provide a sense of renewed optimism and direction. It recognizes a grieving period that employees often feel following a layoff; however, the intent is to try to get employees back on track. A time of layoffs and downsizing is never easy. Separate the short-term repercussions from the long-term positive expectations. Emphasize that the layoffs are an undesirable but necessary part of the plan to get the company back on track and state plans for future growth.

## Pre-Separation Questions

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### *Why is the company reducing its workforce?*

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Our decision to reduce the numbers of our workforce is a necessary business decision. Our results for 20XX and the beginning of 20YY have not met business plans.

### *How many people will be laid off? What locations and positions are targeted?*

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Answers to all of these questions are still being worked out. The first step is to determine the strategic product direction. Once we know in what areas the company will focus its future development efforts, a transition plan will be worked out, including any necessary reductions in force.

### *When will the layoffs take place? Are there additional layoffs later, and when will we be informed?*

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Communications concerning any layoffs will be provided to managers of the affected employees immediately following the business decision. Affected employees will be told as soon after that as possible.

### *What is the future of those divisions that are downsized as those that are not? Will any sites be closed, consolidated or expanded?*

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There are no concrete plans regarding site consolidations or closings. The company currently has its employees in XX different locations. As top management defines product strategies and seeks to improve efficiencies, these situations will be under consideration.

### *What will the new structure be and how will I be affected?*

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The new basic structure of the company has already been determined and communicated via the announcement materials. Any forthcoming adjustments to the structure will be communicated as they are determined.

*How can we be expected to lay more people off when we are currently below our budgeted headcount numbers?*

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The rebudgeting process takes this situation into account and headcount allowances are expected to change. We share the concern that we are below headcount and know this is affecting our ability to deliver as scheduled. Their equally strong concern is that as many positions as possible will be filled internally.

*Is there any relief in sight?*

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After an evaluation of current open positions and possible internal fits, we intend to reopen the normal requisition process. During this period certain positions that are deemed crucial may be filled; this need will be considered on a case-by-case basis.

*Who is involved in the process of targeting positions for elimination?*

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A team of senior managers from all areas within the organization is involved in the decisions regarding specific positions using the overall strategic business direction as a basis and budget requirements as a guide.

## Sample Management Training Questions

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*How was my position selected for elimination?*

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Decisions regarding positions to be affected were made based on a number of factors. The primary issues in these determinations were the duplication of efforts across several locations, the evaluations of skill sets required to fulfill future needs, performance and length of service.

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*May I have a copy of the list of people and positions affected?*

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Due to legal and ethical considerations, we have decided not to publish a list.

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*May I have the phone number of John Doe who was laid off?*

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We will communicate a message to John if you would like. However, due to the personal nature of this information, we cannot provide this without his consent.

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*Is this decision final?*

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The decision was made after a great deal of consideration and it is final.

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*May I take my severance in a lump sum?*

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No; salary continuation is the only severance option being offered (except in states that require this option). This allows you to continue to receive health benefits during the severance period.

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*What type of outplacement services will I receive?*

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The details of these services will be provided to you by your outplacement counselor.

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*Can I trade my outplacement services for cash?*

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Because the company feels that outplacement services are critical to quick re-employment, cash is not an available alternative to outplacement.

*Can I use the services of another outplacement firm?*

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The company has selected the outplacement firm because of its specific qualifications and will not finance other outplacement firms.

*Is it mandatory that I utilize outplacement services?*

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While it is not mandatory, we strongly recommend that you do.

*Are there other positions available within the company and if so, why wasn't I chosen to fill one of these positions?*

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We conducted a careful evaluation of knowledge, skills and abilities and compared these to the requirements of open positions. In your case, no fit was identified.

*If positions are available in the near future, will I be automatically contacted to reapply?*

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While employees terminated during this reduction in force are eligible for rehire, there is no recruitment program planned. If you see an external job position, contact Human Resources.

*If I find employment while on severance, what happens to these benefits?*

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The answer to this question varies by company. Check with Human Resources for the approach being used.



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*Investing energy in the employees who survive a downsizing is a critical component in improving workplace trust and refueling productivity. One-on-one communications between surviving employees and managers should be held with the objective of expressing their value to the organization and wherever possible, providing reassurance about their future with the organization. Tell them how they can contribute, and discuss career development plans.*

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## **Surviving Employees Post-Rif**

### ***Are the layoffs complete or are more planned?***

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Additional Layoffs Unlikely - Our business like most businesses is dynamic and conditions can change. However, we believe that the actions we've taken and the organizational and process changes we have made will enable the organization to meet business objectives. We do not foresee any additional reductions in force.

Additional Layoffs Possible – Today we announced reductions that are effective immediately. Because of the dynamic nature of our business and business conditions in general we cannot definitively speak to the likelihood of additional layoffs.

### ***What kind of severance package and outplacement services were provided to terminated employees?***

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Severance packages were determined by length of service in the following manner: Outplacement services consist of career counseling and job search strategy training including resume development and job bank access.

### ***What is our new structure?***

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The new structure is ... or ... The new structure has been communicated via the materials distributed. Additional changes, if any, will be communicated as they are determined.

### ***What effect does this have on my job?***

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Wherever individuals or departments will undergo change as a result of this reduction in force, each manager will discuss those changes, the timing of the changes and how the changes will affect each individual in his/her job.

### ***Are there any new jobs available?***

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As new positions become available, the company will continue with its policy of internally posting the positions prior to looking outside the organization. Personnel requisitions will be approved only when need and cost are justified and approved.

*What is the financial status of the company?*

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We believe that our new structure and product directions will help us achieve our stated goals and that we will be a financially sound organization.

*How are we supposed to do the same amount of work with fewer people?*

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In most cases reductions have taken place where job redundancies existed. In other cases improved workflow and processes should help us achieve the same or better results with fewer employees. Management will continue to review additional staffing needs and where the need can be demonstrated and cost-justified, hiring will be considered.

We will need your cooperation and assistance. You can help by making us aware of the service and process needs that this reduction will cause. We believe we have anticipated organizational and transactional needs, but please let us know if you see any gaps.

## **Severance/Salary Continuation**

### **SAMPLES**

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Providing employees with written information regarding salary continuation or severance and benefits coverage is an essential part of the communication process. The information on the following pages provides suggested content to be given to each affected employee.

# Sample Separation Documents

*customize as a appropriate*

Employee's Name and Address

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## SEPARATION INFORMATION

The following information describes your benefits upon separation from the Company:

1. Your active employment with the company will terminate on (date). Effective that date, you will be placed on inactive severance pay status as indicated on the attached worksheet.
2. While on inactive pay status, you will be paid on the regular paydays throughout this period at your current rate of pay, less any outstanding deductions (i.e., child support, tax levies, etc.). You will continue to receive applicable employee benefits, but you will not continue to accrue vacation or sick days.
3. Pay for earned, but unused, vacation or personal days will be included in your next paycheck. Salary continuation paychecks may be direct-deposited with the EXCEPTION of the last paycheck which will be mailed to your home address. A deposit notice for direct deposits will be mailed to your home on a bi-weekly basis. Otherwise checks will be mailed to your home address.

*Contact Person:*

*Phone Number:*

4. If you obtain employment during your period of inactive pay status, salary continuation will continue as stated. If your new employer offers health coverage, it would be in your best interest to cancel your company policy to avoid paying excess premiums.
5. All appropriate outstanding expense reports should be submitted within 7 days. Any outstanding advances should be reimbursed to the company on an expense report within 7 days or will be deducted from your compensation.
6. All company property (i.e., Corporate American Express card, other corporate credit, telephone or charge cards, any procedure and systems manuals or other company product documentation, company computers, equipment, software and all trade secrets, confidential information or intellectual property, keys, entrance cards, or other means of company identification, etc.) must be returned to your Manager immediately. Access to facilities will be available only with the permission of an authorized company official.

*Contact: HR representatives at specified location*

7. **BENEFITS:**

a) **Health:**

The company's contribution to your medical coverage will continue until the severance payment period is completed or until you have other coverage, whichever comes first. Medical coverage beyond employment is available for 18 months for you and your dependents under COBRA (Consolidated Omnibus Budget Reconciliation Act), and is offered at employer cost plus 2 percent. Each qualified beneficiary on this plan has the opportunity to continue coverage for an additional 18 months from the date of a second qualifying event. Medical continuation during severance would count toward the required COBRA coverage period (i.e., after 4 weeks' severance, you would have 17 months available coverage for yourself under COBRA guidelines). COBRA information is enclosed.

*Contact Person:*

*Phone Number:*

b) **Life Insurance:**

Life insurance, supplemental life, car allowance and long-term disability cease on the last day worked. Conversion options for Life and Long-Term Disability are available if exercised within 31 days of the date of termination. A conversion application and rates are enclosed.

*Contact Person:*

*Phone Number:*

c) **401(K) & Savings:**

You can withdraw or roll over any 401(K) funds at the end of any quarter. You are encouraged to either withdraw or roll over any 401(K) funds by the end of the first quarter in the year following termination. Funds should be forwarded to you within 60 days from the end of the quarter for which a withdrawal form is submitted. Contact the person below regarding any outstanding loans against your 401(K). **REVIEW THE TAX ADVISORY INCLUDED WITH THE WITHDRAWAL FORMS FOR TAX IMPLICATIONS.**

*Contact Person:*

*Phone Number:*

d) **Retirement Plan:**

You can withdraw retirement funds at the end of any quarter. Your vesting stops on the last day you worked (see Last Day Worked on Severance Worksheet). You may apply for distribution of vested benefits prior to June 30, September 30, or December 31, if you have completed three or more full years of employment.

*Contact Person:*

*Phone Number:*

**e) Employee Assistance Program (EAP):**

You and your family members are still eligible to participate in the Employee Assistance Program for as long as is necessary.

*Contact Person:*

*Phone Number:*

8. The company will provide outplacement assistance for you with (outplacement firm). Their office location is (address and phone). Your local Human Resources contact will assist in coordinating your outplacement activities.

*Contact Person:*

*Phone Number:*

9. To receive your W2 form it will be necessary to update the Payroll Department if you move during the year.

*Contact Person:*

*Phone Number:*

## SEPARATION WORKSHEET

Employee Name \_\_\_\_\_ Last Day Paid \_\_\_\_\_  
Employee Number \_\_\_\_\_ Last Day Worked \_\_\_\_\_  
Address \_\_\_\_\_ Weekly Pay Rate \_\_\_\_\_  
\_\_\_\_\_

Total Severance Dollars: \_\_\_\_\_

Total Vacation Pay: \_\_\_\_\_

Less Payroll Advances and Equipment Purchases: \_\_\_\_\_

Total: \_\_\_\_\_

### SEPARATION PAY

- Weeks in lieu of notice: \_\_\_\_\_
- Additional weeks: \_\_\_\_\_  
*(1 week for each year of service with 1 week minimum)*

**TOTAL WEEKS SEPARATION PAY:** \_\_\_\_\_

### ADDITIONAL DAYS PAID

- Vacation – days earned but not used through last day worked: \_\_\_\_\_
- Vacation carryover from prior years: \_\_\_\_\_
- Personal days: \_\_\_\_\_

**TOTAL ADDITIONAL DAYS EARNED:** \_\_\_\_\_

BENEFITS *(See Benefits Statement for Details)*

**Note:**

**COBRA and Unemployment claims filing information should also be include in the package.**



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