

Employment Termination Checklist

Employees leave organizations for numerous reasons, both good and bad. On the positive side, they find new opportunities, go back to school, retire or land their dream job. Less positively, they are fired for poor performance or poor attendance or experience a layoff because of a business downturn. In each instance, you need an employment termination checklist to help the employee exit process go smoothly.

Employee Name: _____

Date: _____

Notify Human Resources

_____ **Notify HR:** As soon as you are aware of and/or receive a letter from an employee that notifies you of the employee's intention to terminate employment, notify your Human Resources office.

_____ **Official Notice:** If an employee tells you of their intention to leave your employment, ask them to write a letter that states their resignation and their termination date. (Companies request a minimum of two weeks notice, when possible.)

Permissions Termination

_____ **Notify Your Network Administrator:** As soon as you know that an employee is leaving, notify your Network Administrator or other appropriate staff person of the date and time on which to terminate the employee's access to computer and telephone systems. Make arrangements for how these accounts will be routed to ascertain that your organization will not lose contact with clients and customers. Additionally, disable the employee's building entry alarm code or make plans for access card return, if applicable.

Return of Property

_____ **Return of company property:** Exiting employees are required to turn in all company books and materials, keys, ID badges, computers, cell phones and any other company-owned items.

_____ **Passwords:** Employees should provide their supervisors with passwords and other information pertaining to accessing computer files and telephone messages. (You may want to keep email and phone accounts active for awhile to field customer contacts.)

Status of Benefits

_____ **Vacation pay and unused sick time:** Terminating employees are paid up to a maximum of 30 days for unused, accrued vacation time. If the employee has used time not yet accrued, payment to the company for this time is subtracted from the last pay check. (If your company designates a certain number of sick days and they are accrued, you would also need to pay the employee for the time accrued.)

_____ **Benefits status letter:** Following termination, former employees receive a letter from the Human Resources office that outlines the status of their benefits upon termination. This includes life insurance, health coverage, retirement plan and expense account plans. (In the United States, organizations comply with the Consolidated Omnibus Budget Reconciliation Act of 1980 (COBRA), and extend to eligible employees and their enrolled dependents the right to continue health care plan coverage for a specified period of time at their own expense and at full cost.)

_____ **Repayment of advances:** Any unpaid payroll advances will be subtracted from the employee's final check.

_____ **Payment of money owed the employee:** Any unpaid expenses for company business purposes (turned in on an expense report), unpaid commission and bonuses will be paid in the final pay check.

Confidentiality and Non-compete Agreements

_____ **Review of confidentiality or non-compete agreement:** Any confidentiality agreement or non-compete agreement that the exiting employee signed when commencing employment should be reviewed to make certain the employee understands what is expected.

Even if the employee never signed such a document, most employee handbooks have a clause or code of conduct paragraph about not sharing company confidential information or trade secrets. Review this and remind the employee that any breach of this confidentiality will be addressed.

Exit Interview

_____ **Confidential exit interview:** Exiting employees are encouraged to participate in a confidential exit interview with the Human Resources department. (Exit interviews are an important process you can use to gather information regarding the working environment in your organization. When notified that an employee is terminating employment, your HR office will schedule an exit interview. All information gathered is confidential and is reported periodically in summary form.)

_____ **Written permission for reference checking:** Exiting employees, who plan to seek employment, must sign a form giving the company permission to provide reference information when potential employers call.

_____ **Give the employee an address update form to fill out if they move:** Especially for large companies, or those with high turnover, W-2s will come back as non-deliverable if the address has changed. Without new contact information, it is difficult to provide needed information to the former employee. As a backup, verify that the employee's emergency contact information is up-to-date and that you can contact that person to locate them if you have trouble getting their W2s to them.

