

STRICTLY CONFIDENTIAL
WITHOUT PREJUDICE

DATE

NAME
ADDRESS

Dear **NAME**:

This is to advise you that your employment will terminate effective, **DATE**, due to *(those reasons discussed with you)* **OR** *(a change in business conditions/performance concerns/ organizational fit/etc.)*. **[Note: employers also have the option of providing employees with working notice]**

We will provide you with a severance package, details of which are outlined in the attached Termination Agreement (Appendix "A"). This amount is inclusive of any payments, statutory or otherwise, that may be owed to you under the *Ontario Employment Standards Act*.

This package is open for your review and acceptance until **DATE**.

We would also like to take this opportunity to remind you that, notwithstanding the termination of your employment with the Company, certain of your obligations under your employment contract and other agreements that you may have signed during your employment with the Company continue. These obligations include, but may not be limited to, obligations of confidentiality and obligations relating to any intellectual property to which you may have contributed while employed by the Company.

If you have any questions concerning the information contained in this letter, please contact me directly.

Yours sincerely,

NAME
TITLE

Attachments

I, **NAME**, hereby accept the terms set out in Appendix "A", in full and final satisfaction of any claims that I may have.

Signature

Date

APPENDIX A

Termination Agreement Between **COMPANY** and **NAME**

This Agreement confirms the circumstances surrounding the termination of your employment with **COMPANY**, known as "**XXX**".

1. Termination Date

Your employment with **COMPANY** will terminate effective **DATE**.

2. Notice

- **COMPANY** will provide you with a lump sum payment equal to **NUMBER (X)** week's base salary, representing your notice and entitlement as prescribed under the *Employment Standards Act, 2000*. Payment will be made through the usual means as part of the **DATE** pay cycle.

OR

- The period between **TODAY'S DATE** and **TERMINATION DATE** is referred to in this agreement as the "notice period." During the notice period your employment status will remain unchanged.

3. Severance [NOTE: Depending on the length of service this clause may not be necessary]

- **COMPANY** will provide you with a lump sum payment equal to **NUMBER (X)** base salary, representing your severance and entitlement as prescribed under the *Employment Standards Act, 2000*. Payment will be made through the usual means as part of the **DATE** pay cycle.

4. Vacation

Any outstanding vacation owing will be paid to you as a lump sum, less applicable statutory deductions. Payment will be paid through the usual means as part of the **DATE** pay cycle.

5. Group Benefits

Your group benefits coverage will continue for **NUMBER (X)** of weeks. (should be same as the number in 2) You have the option of converting your life insurance to an individual policy, as long as it is done within **NUMBER (X)** (depends on your life insurance plan) days after **TERMINATION DATE**. [NOTE: this is a legal requirement if you offer life insurance under your group plan]

6. Additional Payment [NOTE: Depending on the terms of the applicable employment contract, an additional amount may not be necessary or desired. Legal advice should be sought on this point]

In addition to the above items and conditional upon the signing and returning of the attached Full and Final Release, the Company is pleased to provide you with the following additional assistance:

- a) An additional payment equal to an additional **NUMBER (X)** (*number of additional weeks*) weeks of base salary paid through the usual means on "**DATE**" OR "**THE COMPANY'S REGULARLY SCHEDULED PAYROLL CYCLE OVER THE NEXT NUMBER (X) WEEKS**"
- b) Your current benefits, with the exception of **NAME** (*name all excluded benefits*), will continue for an additional **NUMBER (X)** (should be the same as 6(a)) of weeks or

until you obtain alternate employment or commence participation in a business interest, whichever occurs first.

The offer contained in Section 6 is conditional upon your agreement to keep the terms hereof strictly confidential. You may only disclose the terms of this offer to your immediate family members and your legal and financial advisors. Any unauthorized disclosure of the terms of this offer shall immediately terminate the offer.

7. Expenses

COMPANY will reimburse you for all reasonable business expenses incurred, up to and including (**TERMINATION DATE**), provided you submit appropriate forms and supporting original receipts no later than **XX** days from this date.

8. Record of Employment

Your Record of Employment will be provided to you no later than five days of the last payment made to you by the Company under the terms hereof. You will need to present this form to your local Human Resources and Skills Development Canada (HRSDC) in the event that you qualify for employment insurance benefits.

9. Change of Address

In the event that you change your address, please notify **NAME** at **PHONE#** or via email at **XX@XX.CA** so that we can arrange to forward your 20**XX** T4 to the correct address.

10. References

At your request, we will provide you with a letter confirming your employment with **COMPANY**, according to our usual practices.

11. Return of Company Property

Upon termination of your employment, you are required to return all **COMPANY** property and material in your possession and are not to retain copies of such materials.

12. Release

Any additional payments (above the minimum statutory legislation) is conditional upon your having signed, witnessed, dated and returned the attached copy of this letter and the Release form (Appendix "B") to **NAME** by **DATE**.

APPENDIX B

RELEASE

WHEREAS the undersigned (the “**Releasor**”) was an employee of [**Company**] (the “**Company**”);

AND WHEREAS the Releasor’s employment with the Company has been terminated,

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the Company’s offer to provide payments to the Releasor over and above the Releasor’s statutory entitlement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Releasor covenants and agrees as follows:

1. FULL AND FINAL RELEASE

The Releasor does hereby release and forever discharge the Company, its successors, administrators, assigns, affiliates and related companies, and their directors, officers and employees (the “**Released Parties**”) of and from all actions, causes of action, damages, claims, cross claims and demands whatsoever, (including all damage, loss and injury not now known or anticipated but which may arise in the future and all effects and consequences thereof), however and wherever arising, which the Releasor had, now has, or which the Releasor, its heirs, administrators and assigns or any of them hereafter can, shall or may have in respect of the Releasor’s employment by the Company or the termination thereof.

The Releasor further agrees not to make or continue any claim or take or continue any proceeding against the Released Parties in Canada or elsewhere in the world, with respect to the employment of the Releasor by the Company or with respect to the termination of the Releasor’s employment.

The Releasor warrants that the Releasor has disclosed to the Company any and all human rights complaints, concerns or issues arising out of or in respect of the Releasor’s employment at the Company. The Releasor confirms that the Releasor is aware of the Releasor’s rights under the *Human Rights Code* (Ontario) and warrants that the Releasor knows of no violation of the Releasor’s rights under the *Human Rights Code* (Ontario) during the term of the Releasor’s employment with the Company and is not asserting any rights or advancing any human rights claim or complaint pursuant to the *Human Rights Code* (Ontario).

It is understood and agreed that both this release and any consideration transferred hereunder are deemed to be no admission whatsoever of liability on the part of the Released Parties.

2. CONFIDENTIALITY UNDERTAKING

The Releasor, intending to be legally bound, hereby further agrees and undertakes to protect in strict confidence, and not to use or disclose, any and all information relating to the terms and the fact of this Release.

It is further understood that the Releasor will continue to be bound by any and all confidentiality agreements signed by the Releasor while in the employ of the Company, and the Releasor recognizes that the full force of penalties and consequences pertaining to the breach of said agreements remain in full force.

3. BENEFIT OF RELEASE, AGREEMENT AND UNDERTAKING

It is understood and agreed that this Release shall enure to the benefit of the Released Parties and shall be binding on the Releasor, the Releasor's successors, administrators, assigns, affiliates and related companies.

The Releasor acknowledges that the signing of this Release is not a condition for the Releasor to receive any money to which the Releasor would otherwise be entitled to by operation of statute.

The Releasor hereby declares that it fully understands the terms of this settlement, has had the opportunity to obtain independent legal representation in connection with this Release and that it voluntarily accepts same for the purpose of making full and final compromise, adjustment and settlement of all claims as aforesaid, whether arising by force of contract, at common law, or under applicable statutes.

IN WITNESS WHEREOF this agreement has been executed before the undersigned witness by the Releasor on the ____ day of _____, 20**XX**.

SIGNED, SEALED AND DELIVERED

SIGNED in the presence of)
)
)
)
)
)
)
)
)
)
)
)

WITNESS
Name:

RELEASOR
Name: