



## Your Termination or Severance Package

Most employees are aware that they can negotiate their employment contract, but did you know that you can also negotiate your departure? Employers frequently offer a severance package (or termination agreement) that outlines the terms on which your employer proposes to end your employment. This is particularly true where the termination results from a reorganisation, company buy-out or downsizing.

Negotiating a proper package can make your transition to new employment or retirement much easier. In addition to providing a financial cushion to help you while you find new employment, it can extend your employee benefits for a period of time and it often offers assistance from your employer in finding new employment.

You should always consult an employment lawyer to discuss your options regardless of why your employment is being terminated. Often employers are prepared to pay something at termination, rather than face litigation over the end of the employee/employer relationship.

### **Do Not Panic**

When you first learn of your potential termination, do not panic. Go into information gathering mode and learn as much as you can about the current situation and your employer's past practices on terminations. Are you the only person being terminated? What is driving the termination(s)? What was offered to employees who were terminated in the past? Dig up your Employment Contract and see what it says about termination. All of this information will be of great assistance in dealing with your circumstances and getting you the best deal possible.

### **Do Not Sign Anything on the Spot**

When you are terminated in person or in a phone call, take good notes and get as much information as you can about the reason for your termination, etc. Under no circumstances sign anything until you have reviewed the documentation thoroughly and taken the time to get advice. Resist pressure to sign on the spot. You are entitled to take the time you need to consider any package you are offered. Most employers will actually encourage you to seek the assistance of a lawyer so that there is less chance later of you being able to sue, in part because you were not given the time to seek advice.

## **The Termination Package**

A termination package will usually deal with:

- **Severance or termination pay:** This will usually be calculated based on the years of employment.
- **Benefits:** Health, life and disability insurance coverage. What will your employer continue to provide and for how long?
- **Other forms of compensation:** Bonuses, commission, stock options or matching RRSP contributions.
- **Re-Location Assistance:** Counselling, etc. to assist you in finding new employment
- **Release of the Employer:** This provision makes it difficult, if not impossible, to sue the employer over your dismissal assuming that the employer lives up to the terms of the severance package or termination agreement once accepted by you, after time to consider it and get advice.
- **Confidentiality/Non-Disclosure Agreement.**

## **Final Thoughts**

If you are terminated or “let go” for any reason, it is important to negotiate your way out. Most employers prefer to keep their employees happy, even when they are leaving, so you probably have more negotiating power than you think. You’ll never know if you don’t ask.

To discuss your situation or have your severance package reviewed before you sign, please contact us. We will be happy to assist you.

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