**Termination Letter - Format, Meaning, Tips, and Examples**

Termination of an employee, even though disturbing, is still a crucial part of an employer’s job responsibility. Every employer has to face the unpleasant experience of terminating an employee in their professional journey.

However, the employer or the manager can change the way they approach the termination process. This process starts with the Termination Letter. Employers should focus on drafting a letter of termination that appreciates the employee’s contribution, is concerned about their situation, and still conveys the message of the company.

So, What is a termination letter?

**Termination Letter - Meaning**

A Termination Letter is also known as a Letter of Termination, disqualification letter, a notice of termination, termination statement, or letter of separation. This is a letter issued to an employee to inform them about their termination from the job. It contains the date of termination and the reason behind it.

Letter of Termination also includes other useful information like the next steps employees should take, whether they are liable for any compensation, and how they can collect their full and final salary and documents.

**How to Write a Termination Statement?**

Consider the following points while you write an employment disqualification letter:

- State the date of termination to the employee

- Mention the accurate and detailed reason(s) for their termination.

- Write the compensation and benefits, if any

- Notify the employee that he/she should return all the company property immediately.

- Take them through all the applicable and important clauses and conditions in their signed document.

- Always remember to include the HR details, if they or their future company would need to get in touch.

**Why is a Termination Statement Important?**

As terrible as it is, there are important reasons for going out and receiving the termination notice:

1. It states the employer’s justification for terminating the employee in detail, if necessary. If the employee receives a letter of separation that explains why they were fired, it will be more difficult for the corporation to change its story later.

2. A termination statement specifies the date of termination. It's crucial because there are many deadlines for filing wrongful termination lawsuits against an employer. Employers frequently allege that employees have missed a deadline and, as a result, are prevented from filing claims.

3. The termination letter refutes the employee's allegation that he or she resigned. Some businesses may claim that they did not terminate an employee and that the individual voluntarily left or abandoned their job. It's usually done for strategic reasons to avoid being held accountable. However, the employer cannot argue that the employee was never fired if the employee receives a termination notice.

4. Finally, while there is no legal obligation to write or submit a letter of termination, detailed and thorough termination notice can assist avoid instances where a previous employee claims they were fired without cause or knowledge.

**Types of Termination Letters**

There are 4 types of terminations:

1. Voluntary Termination

2. Involuntary Termination

3. At-Will Termination

4. Mutual Termination

There are two other types of termination statements - with cause and without cause.

A without cause termination letter is issued when the employee is terminated due to issues related to the company. These issues include reducing the size of the company or change in the organizational structure. It is nowhere related to the performance and behavior of the employee.

While a with cause termination letter is issued when an employee is dismissed due to the performance or behavior of the employee. For instance, if an employee is chronically absent despite repetitive warnings, a company may issue a With Cause Termination notice.

Having so many types of letters of termination, it might be a bit hectic to find one in your database when required. Would you want a place where you can get access to all the different types of HR Letters and you just need to edit and download the document? Ultimate Business Systems - an excellent HRMS Software is the solution.

**Employee Termination Letter Format**

| [Date]  Dear [Employee Name]  We regret to inform you that your employment with [Company Name] is terminated from [Date]. This termination is the reason of:  [Explain Reason 1]  [Explain Reason 2]  We request you to return all the company property you were issued anytime during your employment. Delay in this process would reflect in your F&F.  Your Full and Final settlement would be done as per the company’s policies. If you are eligible for any paid leaves, they will be identified and paid according to the organizational regulations. You can contact us anytime in case of any queries.  Sincerely,  [Signature]  [Your Name]  [Designation]  [Company Name] |
| --- |

**Employee Letter of Termination Example**

| 10th November 2021  Dear Akshat Goel  We regret to notify you that your work as a manager with XYZ Solutions Pvt. Ltd. will officially end on 22nd December 2020.  The organization’s decision to fire you is based upon your poor performance in the last 90 days, which has not improved despite repeated warnings. You were already provided with a written warning indicating the result of continued poor performance.  We request you to return all the company property you were issued anytime during your employment. Delay in this process would reflect in your F&F.  Your Full and Final settlement would be done as per the company’s policies. If you are eligible for any paid leaves, they will be identified and paid according to the organizational regulations. You can contact us anytime in case of any queries.  Sincerely,  [Signature]  Palak Shah  HR Manager  XYZ Solutions Pvt. Ltd. |
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**Wrapping Up**

Termination is a crucial part of a company. When an employee is not performing well despite several warnings, the only solution is termination. A termination Letter helps you inform your employee about the termination and the reason behind it.

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**Meta Description -** Are you looking for a termination letter that conveys your termination message to the employee while showing concern about their situation? Click here to download.

**Format 1**

| (Company Name)  (Street Address)  (City, State Pin Code)  Dear ABC,  This letter is to confirm that your employment with [Company name] stands terminated effective [date].  The internal investigation has concluded that your actions on [date of the incident] towards your colleagues violated the [name of policy violated] policy.  We have received your laptop and keys at the termination meeting. You will receive a separate communication for the final paycheck and other benefits.  If you have any questions, you may contact [name]  Sincerely,  (Name)  (Title)  (Signature) |
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**Format 2**

| [Company Name]  [Company Address]  Date: DD, MM, YY  Dear [Employee Name],  We are writing this letter to formally notify you that you would not be required to continue as [Job Title] with [Company name] due to [state the reason]. Your position stands terminated from [mention the effective date].  [Explain the reason for termination in brief].  In the light of these reasons, termination is the only possibility. Your final payment of dues including salary for [no.of months] month in lieu of notice will be made to you at the end of the month. If you have any queries and wish to discuss this matter further, please feel free to connect with the HR Department.  Regards  Your Designation |
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