

# Separation of Employment Guidelines

Employee separations are a natural part of the employment lifecycle and can occur for a variety of reasons. Regardless of the cause, it is essential for organizations to handle these transitions with consistency, transparency, and compliance.

## Types Of Separation



### VOLUNTARY

Initiated by the employee, such as a resignation due to relocation or another job.



### LAYOFF

A separation due to business needs, such as restructuring, budget cuts, or a lack of work.



### INVOLUNTARY

Initiated by the employer due to performance, misconduct, or policy violations.



### RETIREMENT

Employee exits the workforce after reaching retirement age or eligibility.

## Some Considerations by Types of Separation

### Voluntary

- Ensure proper notice is given.
- Conduct an exit interview.
- Review final pay and PTO balance.
- Collect company property.

### Involuntary

- Document performance or conduct issues before deciding to terminate.
- Prepare Separation Notice, if required.
- Ensure compliance with final pay laws.
- Maintain confidentiality and professionalism.

### Layoff

- Provide written notice and reason.
- Offer severance if applicable.
- Assist with unemployment resources and outplacement services.
- Communicate clearly and empathetically.
- Know the law on federal WARN acts and state mini-WARN acts where applicable.

### Retirement

- Review retirement benefits and options.
- Celebrate contributions.
- Plan for knowledge transfer.
- Update internal records and systems.

## Legal & Compliance Musts



### Final Paycheck Timing Laws

Ensure final wages are issued according to state law.



### PTO Payout Rules

Follow company policy and state law regarding payout of unused PTO.



### Benefits Continuation (COBRA, etc.)

Provide required notices for continuation of health benefits.



### Proper Documentation of Reason for Separation

Maintain clear records for legal protection and unemployment claims.



### State Separation Documents

Issue required forms (e.g., separation notice, unemployment eligibility) based on state regulations.



## Key Steps in the Process

01

### Notice Given / Decision Made

Initiate the separation process with proper documentation.

02

### Documentation Prepared

Confirm termination reason, exit forms, and final pay details.

03

### Internal Notifications Sent

Inform payroll, IT, and relevant departments.

04

### Offboarding Initiated

Disable access, collect equipment, and begin exit procedures.

05

### Final Pay & Benefits Issued

Process final paycheck, PTO payout, and COBRA benefit notices.

06

### Exit Interview Conducted

Gather feedback and provide closure, as appropriate. Exit interviews are not appropriate for involuntary terms and layoffs.

07

### Access & Equipment Returned

Ensure all company property is returned and that access to company systems, accounts, and facilities is promptly deactivated.

## Why Following the Termination Process *Matters*

Properly handling employee terminations is critical to protecting both the organization and the individual. A consistent, documented process helps to ensure fairness, reduce legal risk, and maintain compliance with federal and state employment laws.

Failure to follow established procedures can result in penalties, disputes, or reputational harm. By adhering to legal requirements and internal protocols, organizations demonstrate integrity, reduce liability, and support a positive workplace culture.

If you have questions regarding an upcoming termination, resignation, or layoff, or have an employee who is retiring, contact your HR Consultant at FrankCrum today.

