

# Employee Workforce Reduction Acceptance Letter Template



In tight economic times when payroll cuts are necessary, you may be able to save the jobs of employees slated for layoffs by buying out high-earning senior employees instead. The problem is that senior employees who would otherwise gladly give up their jobs exchange for an early retirement or severance package, may balk if the deal means they have to also give up their eligibility for Employment Insurance (EI). This is a legitimate concern since employees don't normally qualify for EI benefits when they give up their jobs voluntarily. The good news is that you can get around that obstacle by structuring the buyout arrangement to meet an exception to the EI Regulations allowing employees to retain eligibility for employment benefits when they give up employment voluntarily under a "workforce reduction" arrangement. Here's a letter you can adapt and distribute to employees who resign in exchange for a severance or pension package to document that the buyout was part of a workforce reduction.

## **Employee Letter of Acceptance of Workforce Reduction Arrangement**

Dee Parton

999 Greener Grass Road

Iregret, Nunavut 02B – X2C

[Date]

Dear Ms. Parton:

Within this folder, you will find complete information about the terms of your severance agreement, including instructions and information you will need to apply for federal Employment Insurance benefits. The purpose of this letter is to give you a written record that you can use to show Service Canada that your resignation was part of a workforce reduction.

**ABC Workforce Reduction Program:** On [date], ABC Company made the decision to implement a program to permanently reduce the size of its workforce. The decision was made to first offer senior company officials the opportunity to resign voluntarily in exchange for severance benefits. ABC Company would have had to lay off less senior

employees had those offers not been accepted.

**Offer to You:** On [date], I offered you the chance to participate in the workforce reduction program. If you had declined the offer, you would have remained in your current job. The decision to resign and accept the offered severance benefits was thus made by you and you alone of your own volition.

**Impact on Coworkers:** If you had not accepted the offer to resign, ABC Company would have had to terminate at least three individuals in the billing and coding division. Your decision to accept the severance arrangement enabled those individuals to keep their jobs.

ABC Company wants to thank you for your [number of] years of outstanding service and to wish you great success in your future endeavours. If you have any questions about applying for Employment Insurance or the terms of your severance agreement, please do not hesitate to contact me or any of my assistants at the HR Department.

Sincerely,

Jenna Russ

HR Director, ABC Company