

# Termination Policy



Employers have a basic right to terminate an employee, but along with that right, come responsibilities. Employers must comply with the Employment/Labour Standards and human rights legislation for their jurisdiction and beyond that, employers must treat employees fairly and in good faith as defined by common law or civil law (Québec).

All jurisdictions have minimum standards for periods of notice compulsory for termination without cause, and requirements for compensation in lieu of notice. A poorly handled termination can lead to legal action; therefore it is wise to consult a lawyer before terminating an employee for whatever the reasons.

## **Important terms**

**Termination with cause** puts the burden on the employer to show that an act by an employee has seriously impacted, or a further similar act could seriously impact the organization.

**Termination without cause** usually requires advance notice and/or compensation be given to the employee. In the voluntary and non-profit sector, termination without cause is often due to the restructuring of an organization or changes in funding.

**Wrongful dismissal** is a legal claim about the cause or notice given to the employee when they are terminated. Constructive dismissal is when there is a significant change in the employment relationship, for example, the employer significantly reduces an employee's salary or makes a significant change to an employee's work location, hours of work, authority or position (without the employee being separated from the organization). You want to avoid both of these.