

Sample STATEMENT of POLICY and PROCEDURE			
Chapter:	Human Resources	SPP No.	HR 2.09.ON
Section:	Employment	Issued:	Dec. 16, 2019
Subject:	TERMINATION of EMPLOYMENT	Effective:	Jan. 1, 2020
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1 POLICY

- 1.01 Both the **Community Resource Centre** and the employee have the right to sever an employment relationship.
- 1.02 An employee's employment with the **Community Resource Centre** constitutes a contract in law and, therefore, termination of employment by the **Community Resource Centre** or the employee, where this is necessary, must be in keeping with the requirements of the Ontario *Employment Standards Act, 2000* and applicable regulations with respect to all terminations.
- 1.03 Terminations arise from resignation, retirement, involuntary termination, indefinite layoff or the death of an employee. All terminations will be handled in a fair and lawful manner.
- 1.04 Where termination occurs for reasons other than cause, if eligible, an employee who is continuously employed for more than three (3) months and who is terminated involuntarily or placed on indefinite layoff must receive written notice of termination, pay in lieu thereof or a combination of notice and pay in lieu, and statutory severance (if applicable in the circumstance and the conditions are met) in accordance with the provisions of the Ontario *Employment Standards Act, 2000* and regulations or the written offer of employment, whichever is the greater.
- 1.05 The employer's decision to terminate employment with cause will follow the principles of progressive discipline. Serious offences may result in immediate termination. When terminated for cause, the employee will be notified in writing but will not receive notice of termination or pay in lieu thereof or statutory severance (if applicable).
- 1.06 When an employee dies, the employment contract is considered severed because it has become impossible to perform or has been frustrated.
- 1.07 Employees who resign are expected to provide written notice of resignation to their immediate supervisor at least two (2) weeks in advance of the effective date of resignation. Employees resigning from more senior positions are expected to give advance written notice in keeping with their job responsibilities. Voluntary retirement is deemed to be a resignation from employment for the purpose of this policy.
- 1.08 Terminations are to be treated in a confidential, professional manner by all concerned. Supervisors, and the **Executive Director** will ensure thorough, consistent and even-handed termination procedures.

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1.09 All cases of termination initiated by the **Community Resource Centre** require the written approval of the **Executive Director** or a designate prior to implementation.

1.10 All fixed-term employment contracts expire automatically without termination notice and without payment in lieu of notice on the specified termination date.

2 PURPOSE

2.01 The purpose of this Statement of Policy and Procedure is to ensure that employees who terminate employment, both voluntarily and involuntarily, are treated fairly and in a consistent manner.

3 SCOPE

3.01 This Statement of Policy and Procedure applies to full-time and part-time employees.

4 RESPONSIBILITY

4.01 It is the responsibility of the Executive Director to ensure this policy is administered consistently and fairly.

4.02 The responsibilities of Executive Director include:

- (a) Administering progressive discipline in consultation with the **Supervisor**.
- (b) Assessing with the help of the Supervisor the termination of employment with or without cause;
- (c) Ensuring proper assessment of applicable legal implications;
- (d) Ensuring that all employee resignations and retirements are provided in writing and that written confirmations of the acceptance of resignations are provided to the employee as soon as possible;
- (e) Consulting with the payroll department regarding termination matters;
- (f) Notifying employees in writing that their employment is terminated and the effective date of the termination;
- (g) If terminated without cause, making a decision on whether working notice, pay in lieu of notice or a combination of working notice and pay in lieu of notice is warranted;
- (h) Providing employees with information about the applicable accrued benefits due at the termination and the continuation of benefits during the notice period; and
- (i) Ensuring that the employee leaving the company returns all items which are the property of **Community Resource Centre**.

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4.03 Employee responsibilities include:

- (a) Providing resignation or notice of retirement in writing, with the notice period specified in this policy or the written employment contract.
- (b) Working the notice period if terminated without cause, unless the employee receives pay in lieu of notice for the entirety or a portion of the notice period. Employees on working notice remain subject to the same workplace policies and standards as other employees.

5 DEFINITIONS

5.01 “**Excluded week**” means a week during which, for one or more days, the employee is not able to work, is not available for work, is subject to a disciplinary suspension or is not provided with work because of a strike or lockout occurring at his or her place of employment or elsewhere.

5.02 “**Frustration of contract**” is a contract that, subsequent to its formation, and without fault of either party, is incapable of being performed due to an unforeseen event (or events), resulting in the obligations under the contract being radically different from those contemplated by the parties to the contract.

5.03 “**Involuntary termination**” means a cessation of employment which may be initiated by **Community Resource Centre**, at any time, in its sole discretion.

5.04 “**Indefinite layoff**” means:

- (a) a layoff that is effected because of a permanent discontinuance of all or part of the **Community Resource Centre's** business;
- (b) a layoff that is not a temporary layoff; or
- (c) a layoff that equals or exceeds thirty-five (35) weeks in any period of fifty-two (52) consecutive weeks.

5.05 “**Just cause**” or “**cause**” provides an exception to the notice requirement and is grounds for termination, without notice or severance, for a fundamental breach of the employment contract for which an employer bears the burden of proof. Examples of just cause (list is illustrative not exhaustive): willful disobedience; insubordination; undermining corporate culture; breach of rules/company policies; frustration of contract; revelation of character; incompetence; attendance (absenteeism/lateness); drug/alcohol use in the workplace; conflicts of interest; workplace misconduct; breach of trust; dishonesty/fraud; theft.

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- 5.06 **“Layoff”** means:
- (a) for the purpose of paragraph 5.10, a period of at least one (1) week in which an employee earns less than one-half ($\frac{1}{2}$) the amount he or she would earn at his or her regular rate in a regular non-overtime workweek and the week is not an excluded week.
 - (b) for the purpose of paragraph 5.03 a period of at least one (1) week in which an employee earns less than one-quarter ($\frac{1}{4}$) the amount he or she would earn at his or her regular rate in a regular non-overtime workweek and the week is not an excluded week.
- 5.07 **“Notice of termination”** is the employee’s notice period of the termination without cause of their employment. Notice can be in the form of working notice and/or termination pay in lieu of notice in keeping with the requirements of the Ontario *Employment Standards Act, 2000* and applicable regulations.
- 5.08 **“Resignation”** means a cessation of employment which is initiated by an employee without duress and includes voluntary retirement.
- 5.09 **“Retirement”** is the action or fact of leaving one’s job and ceasing to work altogether. For the purpose of this policy, a voluntary retirement is treated in the same way as a resignation.
- 5.10 **“Statutory severance pay”** is what employees are entitled to if their employment is severed and they have worked for the employer for five (5) or more years (including all the time spent by the employee in employment with the employer, whether continuous or not and whether active or not) and the employer:
- (a) has a payroll in Ontario of at least \$2.5 million; or
 - (b) severed the employment of fifty (50) or more employees in a six-month period because all or part of the business permanently closed.
- 5.11 **“Temporary layoff”** means:
- (a) a layoff of not more than thirteen (13) weeks in any period of twenty (20) consecutive weeks;
 - (b) a layoff of more than thirteen (13) weeks in any period of twenty (20) consecutive weeks, if the layoff is less than thirty-five (35) weeks in any period of fifty-two (52) consecutive weeks and:
 - (i) the employee continues to receive payments from the **Community Resource Centre**;
 - (ii) **Community Resource Centre** continues to make payments for the benefit of the laid off employee to a *bona fide* retirement, pension, group

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- or employee insurance plan;
- (iii) the laid off employee receives supplementary unemployment benefits;
- (iv) the laid off employee is entitled to receive supplementary unemployment benefits but does not receive them because he or she is employed elsewhere during the layoff;
- (v) the employee is recalled within the time approved by the Director, Employment Standards; or
- (vi) the employee is recalled within the time set out in an agreement between the **Community Resource Centre** and the employee.

6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

Employment Standards Act, 2000 and Regulations (Ontario)

SPP HR 2.05.ON — Employment Classifications

SPP HR 5.06.ON — Discipline

7 PROCEDURE

7.01 Resignation

- (a) A resignation (or voluntary retirement) should, whenever possible, be given to the employee's immediate supervisor/manager, in writing, as early as possible; however, an employee is expected to give at least two (2) weeks' notice of resignation in advance of the effective date of resignation. Employees resigning from more senior positions are expected to give advance written notice in keeping with their job responsibilities.
- (b) Resignations should be confirmed by the supervisor in writing, are binding on the employee and the **Community Resource Centre**, and cannot be changed except by mutual agreement and where approved by the **Executive Director**.
- (c) Employees who resign or retire from their employment voluntarily will be requested to participate in an exit interview.
- (d) Payroll will arrange for and disburse all final monies owing and the employee's Record of Employment, and will discuss arrangements with respect to the continuance and termination of benefits.
- (e) The resigning employee must make arrangements with his or her supervisor for the return of all items which are the property of the **Community Resource Centre**.
- (f) An employer is entitled to expect that work performance standards will be maintained during the notice period of resignation.

7.02 Involuntary Termination, Termination Without Cause

- (a) Indefinite layoffs and involuntary terminations without cause require the review and written approval of the **Executive Director**.

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- (b) An involuntary termination must be fully documented by the releasing supervisor and discussed with the **Executive Director prior to** any termination discussion with the employee. An involuntary termination of any employee without cause requires the written approval of the **Executive Director** or a designate prior to implementation.
- (c) **Notice of involuntary termination/indefinite layoff:** The employee that is terminated without cause will be given appropriate termination notice by the **Community Resource Centre**, pay in lieu thereof, or a combination of termination notice and pay in lieu, and statutory severance (if applicable in the circumstance and the conditions are met), in accordance with the provisions of the Ontario *Employment Standards Act, 2000* and regulations or the written offer of employment, whichever is greater.
- (d) The number of weeks of notice commences as of the date of the letter which notifies the employee that he or she has been terminated.
- (e) Payroll will arrange for and disburse all final monies owing and the employee's Record of Employment, and will discuss arrangements with respect to the continuance and termination of benefits.
- (f) The terminated employee must make arrangements with his or her supervisor/manager for the return of all items which are the property of the **Community Resource Centre**.
- (g) An employer can require all of the notice period as working notice rather than pay in lieu of notice. An employer is entitled to expect that work performance standards will be maintained during the working notice.

7.03 Involuntary Termination, Termination With Cause

- (a) Involuntary terminations with cause require the review and written approval of the **Executive Director**.
- (b) An involuntary termination with cause must be fully documented by the releasing Supervisor and discussed with the **Executive Director prior to** any termination discussion with the employee. An involuntary termination of any employee with cause requires the written approval of the **Executive Director** or a designate prior to implementation.
- (c) The employer's decision to terminate employment with cause or just cause will follow the principles of progressive discipline. Serious offences may result in immediate termination. When terminated for cause or just cause, the employee will be notified in writing but will not receive notice of termination, pay in lieu thereof or statutory severance (if it was applicable).
- (d) A formal letter of termination will be given to the employee.
- (e) Payroll will arrange for and disburse all final monies owing and the employee's Record of Employment, and will discuss arrangements with respect to the termination of benefits.

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- (f) The terminated employee must make arrangements with his or her supervisor/manager for the return of all items which are the property of the **Community Resource Centre**.

7.04 **Ineligibility for Notice of Termination**

For greater clarity, a person is not eligible for notice of termination if that person:

- (a) is employed on a temporary basis for a definite term or task;
- (b) is placed on temporary layoff;
- (c) is terminated for just cause;
- (d) has been guilty of wilful misconduct or disobedience or wilful neglect of duty that is not trivial and has not been condoned;
- (e) is laid off after refusing an offer of reasonable alternate employment with the employer;
- (f) is on layoff and does not return to work within a reasonable time after being requested to do so;
- (g) voluntarily retires from employment; or
- (h) has a contract of employment that is or has become impossible to perform or is frustrated by a fortuitous or unforeseeable event or circumstance, unless the frustration or impossibility results from the employee's illness or injury.

7.05 **Termination Arrangements in Excess of Statutory Requirements of the Ontario *Employment Standards Act, 2000***

In the event termination and/or severance arrangements are offered to an employee and the total of those arrangements exceed the statutory requirements of the Ontario *Employment Standards Act, 2000*, those arrangements which are in excess of the statutory requirements will not be made available unless the **Community Resource Centre** receives a General Release and Settlement Agreement properly signed by the employee.