

## Outline, How to Lay Off an Employee

- Steps in performing a lay off
- Checklists
- Sample Script
- Sample Letter

### STEPS IN PERFORMING A LAY OFF

#### 1. SAMPLE LAYOFF CHECKLIST – Use these bullet points to make your own layoff checklist for use at your company.

##### A. Step One: Goal Setting, Analysis

- What outcome do you want to achieve? (What is the problem?)
- Are there alternatives? (temporary layoffs, etc.)
- Is this the right time to hold an event like this?
- What positions will be impacted by the move? (Locations, departments, teams, etc.)
- What will this achieve?
- How do you control the public narrative? (Give your outbound employees the best treatment, help retained employees with their survivor guilt, be kind, etc.)

##### B. Step Two: Make a Plan

- Create your team. Talk with managers, supervisors, etc., to identify where cuts can be made and what those cuts will achieve.
- Get a better understanding of how many cuts need to be made. Where these cuts will happen (locations, teams, etc.).
- Re-examine if there are other courses of action. Can you hold a voluntary lay off?
- Completely lay out your budget to make sure your plan hits all the proper places and gets you back on track.
- Create an initial timeline.
- Put everything into a document that is sent to your HR consultants and legal advisor for review to make sure you are following all local, state, and federal laws.

##### C. Three: Layoff

- Establish criteria. You can use this guide to help.
- Create a team to go through this process.
- Create a list for the event. Make sure your team reviews it thoroughly.
- Start the process after finalizing the list. Make sure you talk to your legal team throughout the process.

##### D. Four: Additional Resources

- Pay special attention to employees who are in protected groups.
- Payout accrued, unused earned vacation (paid time off) and earned commissions.
- Create all communication materials. (Layoff letters, notification letters, memos, emails, etc.)
- Establish a way for staff members to meet with you. Also, prepare meeting times to notify those being let go.
- Actually, hold the meeting(s).
- Hold meetings and provide communication to survivors after the event.

#### 2. SCRIPT FOR LAYOFF NOTIFICATION MEETING

##### A. The Beginning, Explaining the Reason

- i. The reason for the layoff should be delivered by the Owner or a member of the leadership team, depending on your model. Get straight to the point. This can feel abrupt, but you're doing no one any favors by circling around the issue. Avoid small talk during the meeting. Get to the notification immediately and state the reason.
  - ii. For example, "As a result of COVID-2019 the company is adjusting our overall operating costs in response to increasing cancellations and decreasing reservations which includes reducing staffing levels. As a result, a number of positions at the company are being laid off and your position is one being affected."
- B. The Middle, Listening for Reactions
- i. While you are communicating the decision and the reason for the decision, it is critical that you take the time to wait for and listen to the reactions of the employee(s) and to respond to those reactions and questions appropriately. Don't interrupt. You just want to listen and sometimes let the employee vent. They might have to take a load off their chest, or they might want to get out of the meeting as soon as possible with few words to exchange. At some point, HR will step in and transition the meeting to reviewing the COBRA process for medical benefits, payout of wages, commissions and PTO in accordance with state laws, provide the layoff letter and any other benefits being offered.
- C. The End, Transition of Work
- i. Here the business owner or member of leadership will take the discussion back to understand what work is critical they need to be aware of. Plans should usually be made to complete the employee's current workload, as well as any unfinished projects they are involved in. If you treat the employee with respect, they will usually in turn give you the courtesy of making sure all of the work will transition smoothly.
- D. The End, Exit from HR/Business Owner
- i. At this time, collect their badge, company keys, and any other company property they may have with them at this time. Also, review the process for removal of personal property. It is recommended not to let the employee walk back to their desk, but if it is necessary, consider having HR or the supervisor escort them back. You should allow what you feel would be respectful as part of your company culture.

This is never an easy meeting to hold, but this simple script for a layoff notification meeting should prepare you for a smooth and professional delivery.

### 3. SAMPLE LETTER or Script

- A. Whether the layoff impacts an individual, a few, or many, this message offers a way to confirm that news via letter, form, or email memo.

*Dear [Employee Name],*

*For the last several weeks, [Company Name] has experienced financial difficulties due to economic changes within our industry from the COVID-19 pandemic. In the past weeks and days, we have taken action to adapt to this new market with new strategies and processes. Unfortunately, this action has not resulted in the outcomes we hoped. Additionally, government has placed restrictions on business in an effort to contain the COVID-19 pandemic and keep the public safe.*

*Due to this climate, we have come to the decision to [Temporarily] layoff positions within the company. It is with the deepest regret that I must notify you of your position being laid off effective today. Since today will be your last day of work with us we have prepared information to share with you regarding your final pay, COBRA continuation and unemployment insurance.*

*Just so you are aware, there are other positions being eliminated throughout the day. Out of respect for the other people involved I would ask that you say as little as possible today. We would prefer to tell the affected employees ourselves and want to avoid people hearing about this through the grapevine if we can help it. In addition, I know that some people prefer to leave quietly while others want to say goodbye to a few close friends. We will respect whatever decision you make. How would you like to handle that?*

*Finally, I just want to thank you for all your hard work and dedication. You have made it a better place around here and I'm personally going to miss working with you. Thank you for all you have done for us.*

Regards,  
[Owner or Manager Name]

- B. Vacation: All accrued and unused vacation days at the date of termination will be paid out in full to the employee.
  - C. Commission: All commissions earned leading up to the employee's termination will be paid out in full.
4. **OFFBOARDING CHECKLIST** – The following outlines the final steps in the layoff process, including those that play role in the transfer of knowledge and the return of company property.
- A. Send out communications to appropriate people notifying them of the person's departure. This can include the person's co-workers, peers, direct reports, and any other external stakeholders to the organization that should be made aware.
  - B. Set up a knowledge-transfer plan. Your leaving employee will need to transfer over any specific knowledge about their work to their successor or another team member. While we are referring to the more complicated knowledge transfer of details and skills about a specific project, we also mean simple knowledge transfer. For example, phone numbers of external vendors, keys for cabinets, etc.
  - C. Return company property
    - Cellphones
    - Laptop and workstation equipment
    - Badge entry cards and keys
    - Specialized equipment
    - Company vehicles and keys
    - Company credit cards
    - Other items specific to your model and employee positions
  - D. Update internal systems. Remove your employee from IT systems, security, etc. Also, if you have a company intranet that hosts the org chart, make sure to update that as well. Complete final payments in the payroll system. Term employees' statuses in payroll system and indicate eligibility for rehire.
  - E. Conduct an exit interview or have employees fill out an exit questionnaire, if appropriate. Ask questions about the employee's job duties that may give insight into their position and duties, etc.
  - F. [Department of Labor Resource List by State](#) that shows maximum weekly benefits amounts and state unemployment insurance benefits website.