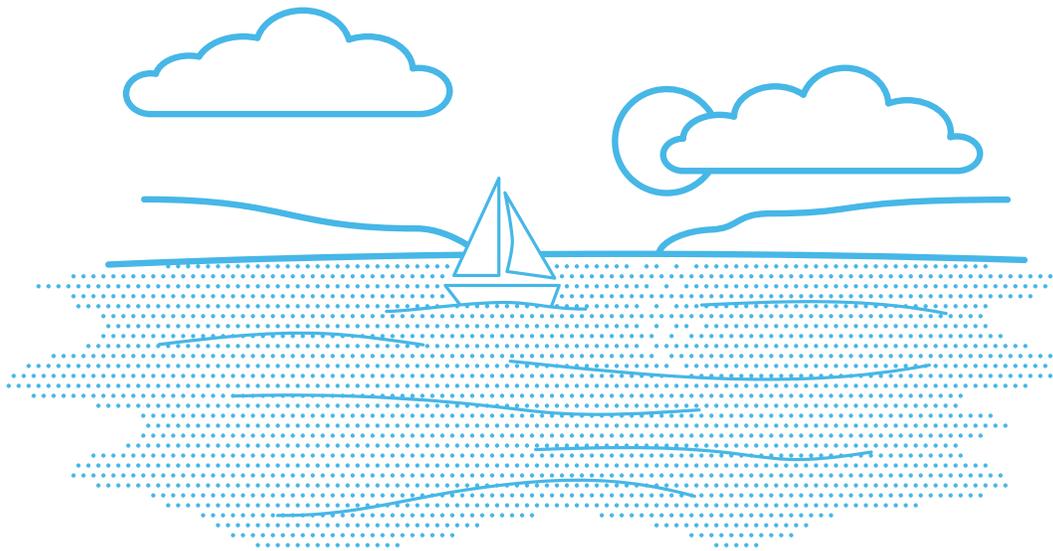


# The Definitive Guide to Employee Offboarding

UPDATED MAY 27, 2016



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**JUSTWORKS.**



# The Definitive Guide to Employee Offboarding

UPDATED MAY 27, 2016

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**Whether your employee** has left your company for another one or passed away, the required paperwork is hard to keep top of mind when a big transition is taking place. Offboarding a departing employee isn't as simple as waving goodbye and wishing them well. Between IRS forms, payroll and benefit complications, and electronic account access, details can slip through the cracks. Have a procedure in place.

Because there are so many different aspects to consider, we built out this guide to make offboarding employees easier and more effective for your business.

More specifically, this guide will walk you through how to:

- ✓ Tie up loose ends before an employee leaves
- ✓ Acknowledge a resignation and create clear next steps
- ✓ Ask the right questions in an exit interview
- ✓ Determine what style of exit interviews fit your company best
- ✓ Pay deceased employees
- ✓ Offer support after a death in the workplace
- ✓ Increase communication so employees are on the same page

*Please note that we are not lawyers and the content in this document is not legal advice.*

# Table of Contents

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## **Section 1: Offboarding Resigning Employees**

 Offboarding Checklist .....	5
 Resignation Acknowledgement Letter Template .....	6
 Exit Interview Advice and Best Practices .....	7

## **Section 2: Terminating and Laying Off Employees**

 Offboarding Checklist .....	10
 Termination / Layoff Letter Template .....	11
 Best Practices for Terminating an Employee .....	12

## **Section 3: Handling a Death in the Workplace**

 Advice on Providing Workplace Support .....	15
 Checklist of Necessary Wage Details .....	17

# Section 1: Offboarding Resigning Employees

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-  **Offboarding Checklist**
-  **Resignation Acknowledgement Letter Template**
-  **Exit Interview Advice and Best Practices**

## Offboarding Checklist

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### Communicate

- Receive resignation letter
- Write a resignation acknowledgement letter (sample on page 6)
- Debrief employee on remaining benefits such as:
  - COBRA
  - Retirement plans
  - Paid time off balances
- Determine where/when last paycheck will be sent
- Notify managers and team members, preferably in person
- Notify necessary customers if applicable

### Transition the Work

- Onboard the replacement or, in the meantime, determine who assumes the resigning employees' responsibilities
- Have employee write up outstanding job details and duties
  - Ongoing tasks
  - Current and upcoming projects and deadlines
  - Necessary contact information

### Conduct Exit Interview

- Inform employee that exit interview is optional
- Conduct online or in person during last week (sample questions attached)

### Manage Logistics

- Return electronics
  - Computer and charger
  - Company phone
- Return office keys
- Return ID card, if necessary
- Remove and/or transfer administrative capabilities
  - Company software (Salesforce, HubSpot, WordPress, etc)
  - Company social media pages (Twitter, LinkedIn, Facebook, etc)
  - Google Drive documents
- Remove from company directory
- Remove from organizational charts
- Change account passwords
- Disconnect systems (email, Slack chat, phone lines, etc.)

OFFBOARDING RESIGNING EMPLOYEES:

## Resignation Acknowledgement Letter Template

Want to copy and paste into Word? [Open this letter in Google Docs.](#)

**MM/DD/YYYY**

Dear **NAME**,

This letter is to acknowledge your resignation from **COMPANY NAME** as **JOB TITLE**, effective **MM/DD/YYYY**. We thank you for your timely notice and look forward to discussing any necessary information about your position that will aid the company in your absence.

**TEAM MEMBER NAME** will be in touch with you about any outstanding information regarding paychecks, accrued vacation, medical and dental, as well as COBRA coverage.

The day of your departure, please meet with **NAME** to return any office materials, such as laptops, keys, or ID cards.

Before you leave, please also spend the time to take our employee exit interview. Your honest feedback and perspective will help us continue to improve our work environment for future employees.

Thank you for your time and service at **COMPANY NAME**. We wish you joy and success in all your future endeavors.

Sincerely,  
**NAME**

OFFBOARDING RESIGNING EMPLOYEES:

## Exit Interview Advice and Best Practices

Always take the opportunity to learn about a departing employee's experience at your company. According to [research by Donald Clifton](#), most Americans leave because they don't feel appreciated. Exit interviews help you better understand management style, processes, and employee morale.

While exit interviews are helpful, it's also unrealistic to expect 100% honest answers. The employee could be worried about burning bridges or uncomfortable candidly sharing problems they faced. Your best bet is to make the interview as open-ended and safe for the departing employee as possible. The more honest feedback you receive, the more information you have to improve your company as a whole.

*As the months pass by, you'll aggregate feedback and be able to paint a bigger picture of organizational strengths and areas of weakness.*

Reflect on who might best conduct the interview. If you don't have an HR representative, choose someone removed from the departing employee's team. They may feel more comfortable divulging details if the interviewer doesn't work intimately with everyone involved.

If you think a departing employee feels intimidated by talking to someone in person, consider offering anonymous exit interviews online. You may open your company up to harsh criticism, but you may also be more likely to get honest feedback. Speak with another leader in your organization and decide what fits your organization best.

Once you've decided the process for your exit interview, aggregate the answers in a central place. As the months pass by, you'll aggregate feedback and be able to paint a bigger picture of organizational strengths and areas of weakness.



**Research shows that most Americans leave their jobs because they don't feel appreciated**



Exit interviews help you better understand management style, processes, and employee morale.

## Exit Interview Sample Questions

Here are some sample questions to help you get started:

- Why did you decide to leave this position?
- What led you to accept your new position?
- On a scale of 1 to 10, 1 being the least and 10 being the most, how would you recommend this place of employment to a friend?
- Did the job align with your original expectations?
- Would you change the job description for the next person in your role? If so, how?
- What support or resources would have helped you accomplish your job better?
- What could have been done differently to keep you employed at our company?
- Any additional comments?

# Section 2:

## Terminating and Laying Off Employees

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-  **Offboarding Checklist**
-  **Termination / Layoff Letter Template**
-  **Best Practices for Terminating an Employee**

## TERMINATING AND LAYING OFF EMPLOYEES:

# Offboarding Checklist

*For this checklist, we define “terminated employees” as people being let go due to performance or behavioral issues, and “laid-off” employees as people being let go due to company downsizing, or through no fault of their own.*

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## Prepare

- Consult an attorney on termination laws in your state
- Gather any needed evidence for termination including performance reviews, employer agreements, etc. **(Only for terminated employees)**

## Notify the Employee

- Write a termination letter (sample on page 11)
- Debrief employee on remaining benefits such as:
  - Unemployment insurance **(Only for laid-off employees)**
  - COBRA
  - Retirement plans
  - Paid time off balances
- Determine where/when last paycheck will be sent
- Notify managers and team members, preferably in person
- Notify necessary customers if applicable

## Transition the Work

- Determine who assumes the terminated employees' responsibilities
- Onboard new replacement

## Manage Logistics

- Return electronics
  - Computer and charger
  - Company phone
- Return office keys
- Return ID card, if necessary
- Remove and/or transfer administrative capabilities
  - Company software (Salesforce, HubSpot, WordPress, etc)
  - Company social media pages (Twitter, LinkedIn, Facebook, etc)
  - Google Drive documents
- Remove from company directory
- Remove from organizational charts
- Change account passwords
- Disconnect systems (email, Slack chat, phone lines, etc.)

TERMINATING AND LAYING OFF EMPLOYEES:

## Termination / Layoff Letter Template

Want to copy and paste into Word? [Open this letter in Google Docs.](#)

**MM/DD/YYYY**

Dear **NAME**,

This letter is to confirm your employment will terminate from **COMPANY NAME**, effective **MM/DD/YYYY**. This is due to **REASONS DISCUSSED**.

**TEAM MEMBER NAME** will be in touch with you about any outstanding information regarding paychecks, accrued vacation, medical and dental, as well as COBRA coverage.

The day of your departure, please meet with **NAME** to return any office materials, such as laptops, keys, or ID cards.

Thank you for your time and service at **COMPANY NAME**. If you have further questions concerning this letter, please contact **TEAM MEMBER NAME**.

Sincerely,  
**NAME**

## TERMINATING AND LAYING OFF EMPLOYEES:

# Best Practices for Terminating an Employee

Letting an employee go is never easy. Whether it's due to lack of performance or lack of company funds, it's not a moment either party looks forward to.

Your tone and approach depends heavily on the situation. Firing an employee for performance or behavioral issues is quite different from laying off an employee due to budget cuts.

If you need to take the plunge, make sure to take these steps along the way:

### Be Prepared Ahead of Time

In most cases, terminating employees is not a spur-of-the-moment decision. Prepare for the act of letting someone go by:

*A review process will help your employees know where they stand.*

**Try to Avoid Making It a Surprise** — Ideally, you've delivered consistent feedback leading up to this conversation. That way, the employee is aware that he or she has been underperforming. Which leads to...

**Have an Employee Review Process** — A review process will help your employees know where they stand. Those that don't meet expectations won't be shocked when they're let go.

**Practice What You'll Say** — You don't need to memorize a speech, but consider jotting down your talking points and doing a rehearsal beforehand. This will help you control your emotions and conduct the conversation professionally.

**Choose Your Location** — Choose a comfortable, private setting and book the space ahead of time. Ideally, avoid a spot where other employees can look in easily.

### Gather Needed Documents

Always strive to keep clear documentation through this process, in case you need to protect yourself later. Doing so is especially applicable in the case of employees who are underperforming or exhibiting inappropriate behavior in the workplace.

Here are some documents that may be of use to you:

**Employer Agreement Clauses** — All employees should have signed a job offer letter upon acceptance. If you don't have an official one, check out our [offer letter template](#). Offer letters should include employer agreements, such as state at-will laws and non-disclosure agreements. You can use these agreements as evidence that your employee knew the terms of their employment.

**Performance Documentation** — Has an employee been underperforming? Before immediately firing them, you should communicate what's lacking. Some employers use a Performance Improvement Plan (PIP) to document what the employee needs to improve upon and push them in the right direction. If all else fails, you have documentation that it was a continual problem.

**Behavioral Documentation** — If your employee is acting inappropriately, document what happened and when. Some behavior may be grounds for a warning, whether written or verbal. The below behavior may be grounds for immediate termination:

- Putting other employees in danger
- Disappearing without a word
- Sexually harassing other employees
- Using office equipment inappropriately



*Show tact and compassion when terminating an employee, regardless of the reason that employee is leaving.*

### **Inform with Tact**

Show tact and compassion when terminating an employee, regardless of the reason that employee is leaving. The day of the conversation, make sure to:

- Practice what you'll say
- Find a comfortable, private space to deliver the news
- Have another supervisor present
- Give the employee their termination letter
- Inform the employee of their remaining benefits, if applicable

In the end, knowing that you've taken the proper steps will help you rest easy and will protect your company from unwanted lawsuits.

# Section 3: Handling a Death in the Workplace

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 **Advice on Providing Workplace Support**

 **Checklist of Necessary Wage Details**

## Advice on Providing Workplace Support

Handling a death in the workplace is a sensitive matter and emotional challenge for everyone. Business must go on, but be thoughtful. Care for the mental health of your employees and give the event the recognition it deserves.

Here are several actions you can take to help employees grieve, and also keep the necessary wheels turning in place.

**Inform People Tactfully** — It's better for your employees to hear about a death in the workplace from someone formally than through the grapevine. First ensure the family has been informed, then let your employees know in the way that is suited for your company. If your employee was a member on a small team, perhaps it's best to inform their teammates personally and email the rest of the office. Let people know you will follow up with more details, such as a memorial or funeral.

**Put Plans in Place** — Unfortunately, day to day operations must go on even if an employee has passed away. Do your best to communicate with the deceased employee's team members to determine what must immediately be covered in his or her absence. Contact regular clients if necessary to inform them of the situation and let them know who will be their point of contact.

**Allow Employees Space to Process** — According to American Psychologist, severe reactions of grief [affect approximately 10-15% of people](#). People [grieve in a variety of ways](#), from withdrawal to poor sleeping. Let your employees take time off to process, and give them space to grieve in the way that fits them.

**Offer Grief Counseling** — Some employees will benefit from grief counseling, whether it's in the office, on the phone, or through a health-care plan. Here are some ways you can help:

- Direct people who need to talk to the Grief Recovery Hotline (800-445-4808) or to recovery groups like [GriefShare.org](https://www.griefshare.org), which has networks for support all over the US and Canada.
- Bring in a grief counselor for the day to talk to employees who want the option.
- Research if your company healthcare covers mental health and counseling. If you use an app like Health Advocate or Sherpaa, employees can talk to professionals who will refer them to the right services.

**Send Regards to the Family** — It's important to respect a family's privacy, but also let them know you care. Send a card or flowers as appropriate, and ask if they would like co-workers to be involved in the memorial. As you handle required paperwork, uncashed paychecks, and other loose ends, there is a chance you will need to keep communication open so they know what's going on.

**Find Ways to Remember the Employee** — Do something special to recognize the deceased employee. Consider forming a committee to decide what is appropriate.

Some ideas might include:

- A card signed by the team to the family members
- A moment of silence
- Attending the memorial
- Pooling together money for a related charity
- A plaque or dedication to the deceased somewhere in the office

**Sort Out Workplace Logistics** — Once the time is right, you'll have to handle required paperwork and outstanding paychecks for deceased employees. We've written a guide below to walk you through it. Avoid abrupt changes and allow co-workers some time to adjust before re-arranging desk and office space.



*Avoid abrupt changes and allow co-workers some time to adjust before re-arranging desk and office space.*

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Death is a sensitive topic and not one people look forward to confronting. Continuing work in the face of a colleague's death isn't easy, but it is something that will go more smoothly if you have a process in place to take care of loose ends and offer employees support. Business won't go back to normal right away, but it will eventually adjust to a new normal as people navigate their co-worker's absence.

## HANDLING A DEATH IN THE WORKPLACE:

# Checklist of Necessary Wage Details

When an employee passes away, paperwork and logistics may get complicated. Use this checklist to ensure you've handed the employee's remaining paychecks, benefits, and other assets to the right place. And remember: check with a lawyer to ensure you've tied up all the required loose ends accordingly.

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### Step 1: Pay Outstanding Wages

If there is a personal representative or beneficiary...

- Consult state laws to determine which individuals may be paid and how.
- Have them complete [Form W-9](#) to obtain the deceased employee's Social Security Number.
- Reissue the net amount of any uncashed paychecks payable to the beneficiary or representative.

If there is no personal representative or beneficiary...

- Wait for the probate court to issue a tax identification number (EIN) for the employee's estate.
- Reissue the net amount of any uncashed paychecks payable to the employee's estate.

### Step 2: Handle Necessary Paperwork

- Determine death certificates necessary for life insurance, pension/401(k), applicable workers compensation death benefits
- End health insurance according to policy
- Determine Health Savings Account (HSA) balance prior to date of death and notify personal representative or beneficiary of procedure
- Withhold Social Security and Medicare taxes from employee's unpaid wages.
- Deposit taxes and the employer's share.
- Include wages on [Form 940](#), the Employer's Annual Federal Unemployment (FUTA) Tax Return.
- Report accrued wages and federal employment taxes on [Form W-2](#) in boxes 3-6. Do not include gross amount of unpaid wages in box 1.
- For any wages paid in the year after an employee's death, report gross amount paid in box 3 of [Form 1099-MISC](#) in the name and tax ID number of beneficiary, personal representative, or employee's estate.
- Complete COBRA paperwork for dependents.

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## How Can Justworks Help?

However your team is changing, having a procedure in place is crucial. The various forms, preparations, conversations, and changes don't need to be overwhelming. And Justworks is always here to help. Store documents and maintain a company directory in our HR dashboard, and turn to our partner ThinkHR with any questions you may have.

Justworks gives entrepreneurs the ability to offer the benefits their employees want at prices a small company can afford. This is achieved by pooling together customers to increase buying power with access to top-quality healthcare. Justworks also takes care of dental, vision, pre-tax commuter, 401(k), life insurance, and numerous other benefits and perks.

Interested in learning more? Give us a ring at (888) 534-1711 or email us at [experts@justworks.com](mailto:experts@justworks.com).