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Employers Should Embrace Best Practices on Employee Terminations

The Canadian Payroll Association Offers Compliance Resources and Seminars on Terminations Best Practices

TORONTO (April 14, 2016) – When an employee’s service with an organization ends, payroll practitioners play an important role in the [termination process](#) and [severance pay calculation](#). Employment can end for a variety of reasons—an employee can retire, resign in order to pursue other opportunities, or be laid off from their job. Whether the employment ends voluntarily or involuntarily, ensuring that the employee’s exit from the organization is handled professionally and in a manner that is compliant with both legislation and organizational policy is crucial. For payroll practitioners, this includes ensuring that all final payments to the employee are processed accurately and are paid on time. When a terminating employee is treated respectfully and receives all of their final pay and benefits, it helps to create a positive impression of the former employer and avoid [litigation arising from wrongful dismissal](#).

Employers can safeguard against [termination litigation](#) by using compliance resources and payroll best practices from [The Canadian Payroll Association](#) (CPA):

Education the Key to Successful Terminations

For many employers, the terminations process can be complex. There are many considerations—payroll practitioners must understand Federal and Provincial Labour and Employment Standards and human resources legislation to correctly and confidently administer final pay, retiring allowances and the employees’ Record of Employment (ROE). Employers have terminations legal obligations regardless of whether an employee has chosen to leave the organization on their own accord, or if the employee has been laid off.

Not correctly managing any one of these considerations makes employers more susceptible to termination legal risk. The CPA’s [Terminations Seminar](#)—being offered across Canada throughout the year—provides staff involved in the terminations process with the tools to administer, supervise and oversee a termination of employment correctly and professionally. Terminations is one of more than 20 [Professional Development Seminars](#) offered by the CPA to enable payroll, accounting and human resource professionals to remain compliant and add value to their organizations.

The CPA’s [Payroll Best Practices Guideline](#) on terminations is also a valuable compliance resource for employers and payroll practitioners. The Guideline assists with employer-



initiated terminations by providing payroll practitioners with processes to administer the legislative requirements relating to an involuntary termination. It is also part of a larger library of Payroll Best Practices Guidelines and [resources](#) available to CPA members to help support payroll compliance.

Plan Ahead with a Terminations Checklist

Planning ahead is one of the best practices covered in the CPA's Terminations seminar and Best Practices Guideline. Voluntarily or involuntarily termination is commonplace at most organizations and one of the best ways for employers to prepare is by developing a [Terminations Checklist](#). Have you correctly accounted for the final pay period? Has severance pay been determined? Is the employee eligible for bonus, incentive or profit-sharing payments? Using a checklist ensures nothing is forgotten, and that each terminating employee is treated in a manner that is fair, compliant and consistent. The CPA's offers a sample Termination Checklist free of charge at [payroll.ca](#).

Verify Figures with a Terminations Calculator

The CPA's Termination Calculator ([or severance pay calculator](#)), that is in the Terminations [Best Practices Guideline](#), is a reference tool for CPA members, designed to assist payroll practitioners in calculating legislated notice and severance for individual employer-initiated terminations. It is designed for payroll practitioners to enter a pre-determined settlement amount and receive a breakdown of the legislated payment in lieu of notice from any eligible and non-eligible retiring allowance payments. Using the Terminations Calculator to verify your figures and responsibilities against the appropriate government legislation will help ensure that employers are not over or under paying terminating employees.

For a complete listing of seminar dates and for more information on the Canadian Payroll Association's [Professional Development Seminars](#), [Certification Programs](#) and [Benefits of Membership](#), visit [payroll.ca](#) / [paie.ca](#).

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About the Canadian Payroll Association:

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$901 billion in wages and taxable benefits, \$305 billion in statutory remittances to the federal and provincial governments, and \$169 billion in health and retirement benefits, while complying with more than 200 federal and provincial regulatory requirements. Since 1978, the Canadian Payroll Association has annually influenced the payroll compliance practices and processes of over 500,000 organizational payrolls. As the authoritative source of Canadian payroll



compliance knowledge, the Canadian Payroll Association promotes payroll compliance through education and advocacy.

