



GLOBAL HR — 12 MIN

How to terminate an employee legally and professionally

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No one likes terminating an employee. However, it's often necessary to protect your company and your employees from risk.

That said, there's still a right way and a **wrong way** to let an employee go — and any mistakes you make could have serious consequences. Therefore, it's important to know how to conduct the termination process legally, sensitively, and professionally.

In this article, we'll explain how to terminate an employee, and explore some key considerations and best practices that you should keep in mind throughout the process.

Here's what you need to know.

Why should you terminate an employee?

In general, there are many reasons why you may need to terminate an employee. In many cases, it might be involuntary; for example, the role may become redundant due to technological advancements, loss of customer demand, unexpected competitor gains, or business closure.

Alternatively, if the business falls under new management, the new regime may deem the role insufficient and out of step with the new direction they'd like to take.

You may also need to terminate an employee due to consistently poor performance. This can include:

- Failure to perform expected duties to the agreed-upon standard (or at all)
- Frequent lateness
- Unexplained absences
- Poor workplace behavior
- Violation of company rules or regulations

Finally, your employee might be terminated for gross misconduct, as detailed below.

Serious misconduct

Most countries have labor laws that allow you to terminate an employee for serious misconduct (also sometimes referred to as gross misconduct or just cause).

It's important to note that, before you can terminate, you may need to conduct an investigation (with the employee in question usually suspended pending the outcome).

Some examples of serious misconduct can include:

- Theft
- Sexual harassment
- Violent behavior and/or assault
- Bullying and harassment
- Health and safety breaches
- Fraud

In some instances, you may be required to work with relevant law enforcement agencies, such as the police. If the case in question has involved criminal activity (or suspected criminal activity), it's highly recommended to consult with your legal counsel before taking any further action.

"At-will" employment

All US states (except Montana) allow employers and employees to end an employment agreement at any time, for any reason. This is called "at-will" employment.

There are two key considerations for at-will employment:

1. You can't terminate an employee for a reason that is unlawful under federal, state, or local law (e.g., they are pregnant or serving in the National Guard).
2. You can't terminate an employee without notice or pay instead of notice if the employment agreement states that they must offer one of the two.

When can you terminate an employee?

This, of course, depends on the laws of your employee's country. As mentioned, US laws allow you to terminate an employee without reason at any time (as long as it's legal). But in many other countries, you must follow strict legal processes, with termination seen as a last resort.

For instance, many countries mandate that, if an employee is performing poorly, they must be given an opportunity to turn things around. Usually, this means setting up a formal performance improvement plan (PIP), conducting regular progress reviews, and outlining clear goals and expectations that the employee must meet.

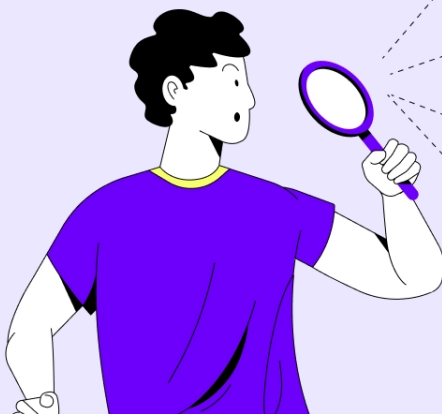
Ultimately, though, you should look at each individual case on its own merits. Consider the following:

- Does the employee have a documented history of repeatedly underperforming or failing to meet clearly specified expectations?
- Has the employee been given the chance to improve but failed to do so?
- Is there no longer a business need for the employee's role?

- Does the employee pose a risk to your company or their fellow employees?

If the answer to any of these questions is “yes,” then you may have grounds for termination.

When should you terminate an employee?



When an employee has demonstrated repeat underperformance and/or misconduct

When you have documented evidence of past warnings and poor performance reviews

When the employee poses a risk to the company or your employees

When there is no longer a business need for the employee's position

However, different countries have different thresholds and legally-mandated criteria. As a result, the only way to know for sure is by **consulting with HR and legal experts in the employee's country**.

If you work with a global HR partner [like Remote](#), our in-country experts can advise on the legality of termination in each individual case, and ensure that your company is protected and fully compliant with all relevant laws and processes.

To learn more about how we can help, [speak to one of our friendly experts](#), or check out our in-depth offboarding guide below:

If the termination is deemed to be legal and warranted from a legal perspective, you will need to start putting together the relevant documentation. This acts as a paper trail, and should include any documented past warnings, incident reports, meeting transcripts or minutes, and performance reviews.

What should you do when terminating an employee?

Once the decision has been made and all the documentation prepared, you will need to conduct the termination process. It's a good idea to have a standardized termination checklist on hand (that can be tweaked accordingly if your employee is based abroad).

In most cases, you will need to follow these steps:

1. Inform the employee

The first step is to formally inform the employee of their termination. Arrange a time and place to hold the termination meeting or, if the employee works remotely, set up a video meeting. You don't have to state the reason for the meeting in advance, but you should list who will be in attendance.

You should also provide formal notice in writing, which acts as the legal notice of termination. However, wait until **after** the meeting before providing this to the employee.

Who should attend the termination meeting?

This depends on the size and structure of your company but, in general, termination meetings should be attended by:

- The employee
- The employee's direct manager
- The employee's HR contact
- A senior HR representative (such as a people partner)

What should be covered in the termination meeting?

You should always prepare an agenda in advance, as this keeps the meeting on track. Ideally, it should look something like this:

1. Explain why the meeting has been called and notify the employee of their termination
2. Refer to any relevant past warnings, performance reviews, and incident reports
3. Explain what the employee can expect from the company

4. Explain the next steps in the process
5. Give the employee a chance to respond and ask questions
6. Thank the employee for their contributions and wish them luck in the future

2. Revoke accesses

Work with your IT team and other relevant stakeholders to ensure that your employee no longer has access to sensitive company accounts, including emails, software accounts, internal messaging tools, and external communications tools.

This is especially important if the termination is not amicable. Disgruntled individuals with access to company files can potentially cause major damage by deleting, stealing, or sharing sensitive or confidential data.

3. Calculate final remunerations

Ensure that the employee's final payslip is correctly calculated (taking into account the amount of notice they will work).

Note that what you owe can vary by country or even by US state. For example, in some states, employees are legally entitled to any accrued but unused vacation days, while, in others, this depends on the company's policy. Likewise, some countries mandate severance pay under certain conditions, while others don't.

[Remote can help clarify](#) what exactly your liabilities and legal responsibilities are when calculating final payslips, and ensure that the process is conducted smoothly, quickly, and compliantly.

4. Let others know

To avoid confusion and ensure transparency, you should inform the rest of your people that the employee in question has left the company. Be professional and don't disclose any details about why the employee has left. While resignations are usually announced in advance, it's advisable to announce terminations after the employee has worked their last day, and their access has been revoked.

Ensure, too, that you provide a point of contact and guidance on what to do for those who were working directly with the employee.

If the employee was working directly with clients and other stakeholders, you will also need to let them know.

5. Collect company property (if applicable)

It's usually mandated in most employment agreements that physical company property — such as laptops, phones, hardware, and equipment — must be returned. If applicable, make arrangements for this to be returned at the end of the employee's notice.

If your employee works remotely and you want the equipment to be returned, provide clear instructions on how to package and ship it. Ask the employee to get a shipping invoice so that you can reimburse the amount.

Note that, unless otherwise stipulated, employees don't have to return equipment that was purchased through a benefit, such as a [home office stipend](#). This includes things like office chairs, desks, and stationery.

6. Update your system

Once the employee has been terminated, ensure that you update your HR and payroll records. The last thing you want is to accidentally keep paying a terminated employee.

If you work with an all-in-one HR partner like Remote, this is quick, easy, and painless. All employee data is securely centralized on our platform, so you don't need to manually update multiple tools and systems.

To see how it works, [book a demo](#) today.

What to avoid when terminating an employee

As touched upon, there are legal nuances to the termination process depending on your employee's location.

However, there are some things that you should *always* avoid doing, regardless of where they are based. To ensure a smoother process, follow these best practices:

Always inform the employee face to face

You may be tempted to break the bad news through text or email to avoid discomfort or confrontation. This is hugely unprofessional, and won't reflect well on you.

This prevents the employee from processing the situation properly, and gives them no platform to respond, ask questions, or share their thoughts. Terminating someone in this way makes it virtually impossible to end the process on a positive note.

Always hold termination meetings in person or, if remote, through a video call. Of course, *after* the meeting, you should then provide formal written confirmation.

Don't let the termination meeting get derailed

Keep the termination meeting as succinct as possible. Stick to your agenda and do your best to conclude on a positive note.

Don't let the conversation steer off-topic and certainly don't give the employee a false impression that, with some persuasion, your mind can be changed. You can be empathetic and even sympathetic, but be clear that the decision is final.

Don't inform the employee in a public setting

This is a massive no-no in any situation. Having other employees witness the event is not only humiliating for the employee, but could also affect company morale.

Public settings can also introduce more distractions, dragging out the termination process longer than necessary. Ensure that the meeting is conducted in private, in a quiet, isolated environment such as a meeting room.

Don't be ambiguous

Leave no room for ambiguity. Be clear and specific about why you're terminating the employee, and make sure they know that the decision is final.

Be clear about what comes next as well, in terms of what the employee needs to do, and what you as a company will do.

What **not** to do when terminating an employee



Don't terminate them over the phone or via email



Don't terminate them in public



Don't let the meeting drag on too long



Don't be ambiguous

How do you terminate a remote employee?

If you have employees in different countries, the important thing is to ensure that the termination is legal and fully compliant with that country's employment and termination laws. As mentioned, it's crucial to consult with [HR and legal experts in that location](#).

Otherwise, the termination process should follow a similar flow, with some unique differences. Pay particular attention to the following:

Time zone differences

Many companies schedule termination meetings for the end of the working week. If you do this, keep the remote employee's time zone in mind; if you're in London and the employee is in Australia, for instance, your evening could be their Saturday morning. Try to find a time that is suitable for everyone but, where possible, prioritize accommodating the employee.

Access revocation

As mentioned, your IT team is responsible for revoking access to company tools and software. With remote employees, this may potentially require a little more notice and coordination.

Equipment return

If the employee needs to return company equipment, such as laptops, hardware, or mobile phones, they will need to manually ship them back to you (with tracking). Ensure that the employee is given full and clear guidance on how to do this, and make it clear that they will be fully reimbursed for doing so.

The employee should also be informed of the consequences if they decide not to return the equipment, including charges of theft of company property.

Employee termination with Remote

As mentioned, Remote can significantly reduce the burden of terminating employees. We can:

- Help you ensure that the termination itself is fully legal and compliant with any local employment laws and collective bargaining agreements (if applicable)
- Ensure the employee's final payslip is accurate and compliant with all local tax and employment laws
- Minimize data entry and updates by managing all employee data through one secure system
- Handle the administrative elements of offboarding the employee

To learn more about how we can help you manage the entire employee lifecycle — from start to finish — [book a demo](#) today.