



keep great people

HR Tips / Book Three



A more human resource.™



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Introduction

In today's job market, competitive salaries and group benefits aren't always enough to retain the people you need. With the right performance rewards and staff incentives, you can enhance corporate culture and employee engagement, making your workplace the place to work. The following HR tips were developed to help businesses like yours rethink employee retention and keep great people.



How to keep workers safe

Did you know that companies of all sizes must follow government-regulated occupational health and safety rules and that failing to follow them could result in a fine of up to \$500,000 and/or up to a year in jail?¹ Depending on the nature of your business and where you operate, you are subject to either federal or provincial/territorial laws to prevent injuries at work. No one wants their workers to be hurt on the job and, as an owner or manager, you care about keeping your people safe at work.

“ Companies of all sizes must follow government-regulated occupational health and safety rules and that **failing to follow them could result in a fine of up to \$500,000.**¹

”



Here are some ways to start improving workplace safety (and prevent injuries from sidelining your employees):

Lunch and learn:

- Conduct a risk assessment and identify potential dangers in the workplace. You may need to consult experts in risk prevention to help with this process.
- Develop policies and procedures specific to your industry and workplace to safeguard the health and safety of your workers.
- Review policies annually to ensure they're up-to-date and remain relevant.
- Conduct regular inspections for hazards that could impact employees.
- Depending on the size of your organization, you may be required to have a health and safety committee comprised of management and workers.

Training:

- Put safety on the agenda for all meetings.
- Make sure supervisors understand their role in maintaining a safe workplace and know how to prevent workplace injuries.
- Provide training and seminars to help all employees know how to do their jobs safely.
- Offer refresher training and monitor behaviour to ensure workers follow procedures that keep them safe.
- Inform workers of new hazards and provide training on how to work safely around them.
- Provide safety equipment, check regularly that it is working, and make sure employees know how to use it properly.
- Practice emergency responses for dealing with fires, chemical spills, and other major incidents.

Communication:

- Post copies of hazardous material handling guidelines, safety policies, and first aid instructions as visual reminders (which will also help you comply with legal posting requirements).
- Report any incidents immediately to the federal or provincial/territorial body that oversees your industry. Workplace injuries can be devastating so take proactive steps today to reduce your risks and keep your people safe.



Inform workers of new hazards and provide training on **how to work safely around them.**



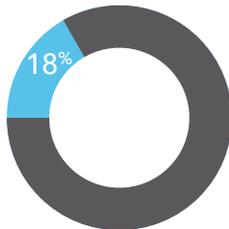
Report any incidents immediately to the federal or provincial/territorial body **that oversees your industry.**

Sources:

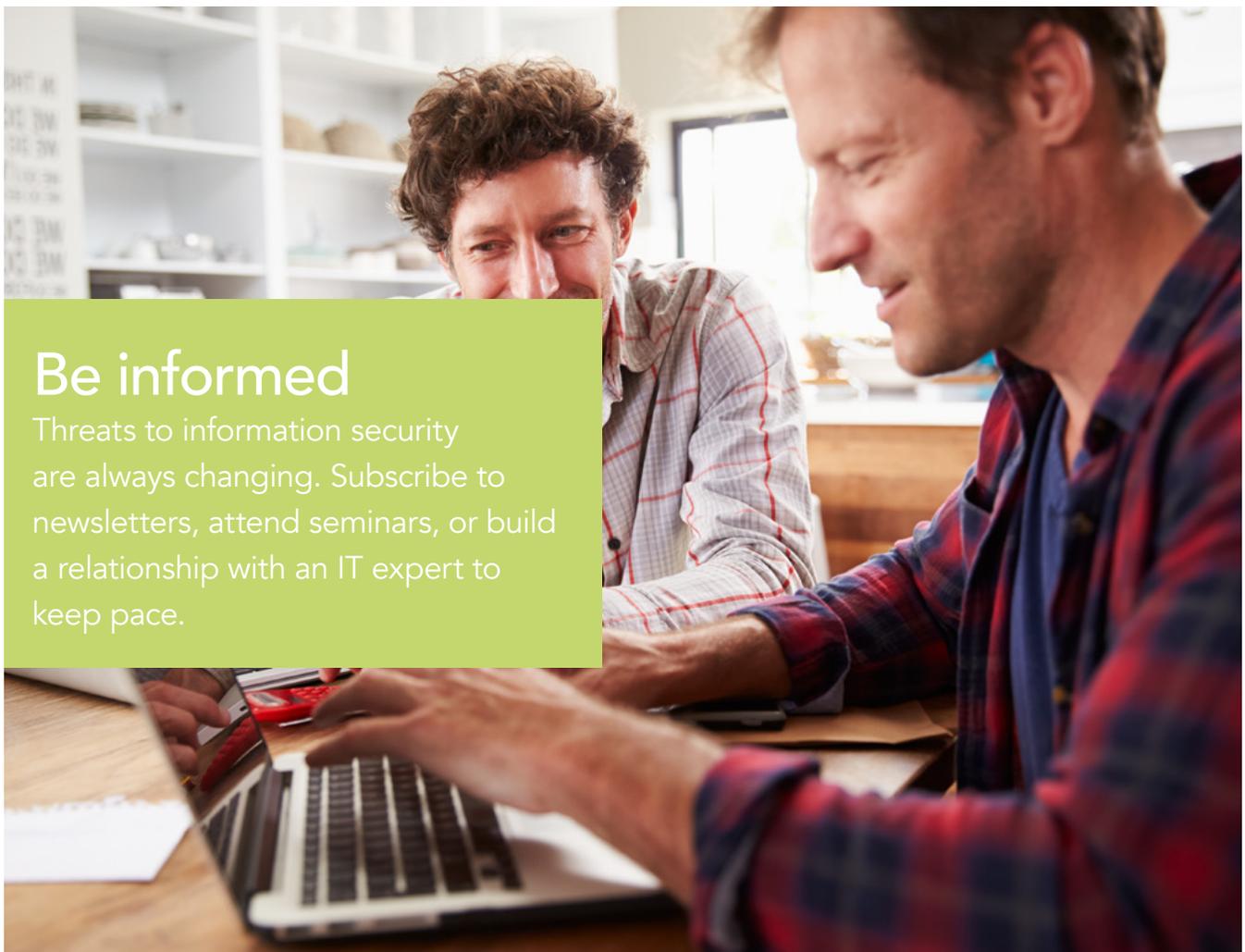
1. Ontario Ministry of Labour, *The Occupational Health and Safety Act: FAQs*, 2013.

How to plug into employee productivity and data security

Businesses of all shapes and sizes depend on technology to connect with customers and employees, process orders, and, quite simply, do business. Since 80% of company computers store sensitive or confidential information¹ and 85% of businesses have experienced one or more security breaches in the last year², safeguarding sensitive information should take centre stage.



18% of malicious attacks arise from **corrupt insiders**³



Be informed

Threats to information security are always changing. Subscribe to newsletters, attend seminars, or build a relationship with an IT expert to keep pace.

It goes without saying that computers should be password-protected, have up-to-date antivirus and malware software, and be regularly backed up to avoid catastrophic data loss. Here are other concerns to consider:

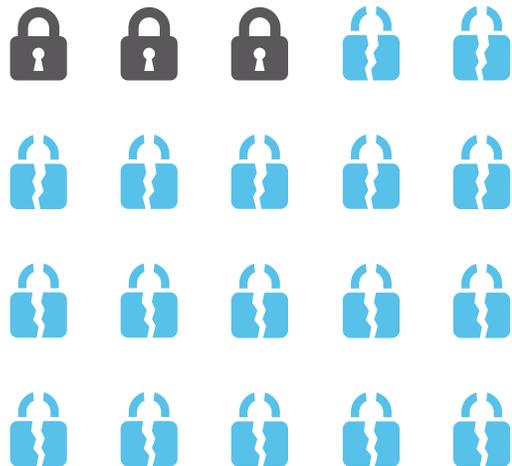
- 1. Network security:** Do-it-yourself network design can sometimes cause security gaps that compromise safety. Get configuration help, particularly if you have mobile workers.
- 2. Business continuity:** Have a plan to access your information in a crisis (which could involve cloud-based back-ups for 24/7 access).
- 3. Insider attacks:** 18% of malicious attacks arise from corrupt insiders³ and yes, this means employee theft. Be aware of the risks and get help to set processes to prevent unauthorized access to confidential data.
- 4. Keep up-to-date:** If your software is out of date, security patches fall behind and leave you vulnerable. Automate updates to reduce risks (and if you don't know how, get IT help).

There are also ways you can empower employees to help keep your data safe:

- 1. Set policies:** Clearly explain corporate policies on key issues like email use, posting to social media, mobile access to networks, and restricting access to some websites. Don't forget to review policies annually.
- 2. Lost (or stolen) devices:** Accidentally leaving laptops or smartphones in taxis, airplanes, or hotels can happen, so you might want to look into options to remotely erase data.
- 3. Reckless surfing/email:** Connecting from a hotspot or using the company laptop for personal use increases corporate network security risks. Set policies for how and where corporate hardware can be used and keep staff aware of the risks.
- 4. Educate staff:** Provide regular training to ensure compliance and answer questions.

- 5. Be informed:** Threats to information security are always changing. Subscribe to newsletters, attend seminars, or build a relationship with an IT expert to keep pace.

With proper planning, you CAN protect your most valuable corporate asset – your information – and enable employee productivity.



85% of businesses have experienced one or more security breaches in the last year², **safeguarding sensitive information should take centre stage**

Sources:

1. Shred-it, *How Secure Is Your E-Media Disposal Process?*, 2008. | 2. Shred-it, *Security Breaches*, 2012.
3. WatchGuard, *Top 10 Threats to SME Data Security*, 2008.

How to plan safe & successful parties

With a small team, you might think celebrating the holidays is as simple as a dinner out. However, employers have responsibilities and potential liabilities to keep in mind to avoid having the festive season marred by an unfortunate incident.

“ **Be inclusive:** Keep cultural diversity in mind while planning your event **since every culture celebrates at different times and in different ways.** ”

Think outside the box

Go beyond parties or dinners to plan an activity, such as laser tag, go-carting, or sleigh rides. This might generate more interest than a sit-down dinner or lunch.



Serving alcohol presents the biggest risk for most companies because you are liable for the actions of an employee who leaves the party after having consumed alcohol.¹ Here are some ways to help manage the risks and keep your staff safe.²

- Use drink tickets to limit consumption.
- Hold the party in a licensed bar or restaurant with properly trained servers who can monitor consumption.
- Verify the licenses of the venues you choose, or if you are hosting the party in the office, make sure you apply for a license, and hire someone to serve drinks in order to control consumption.
- Serve food whenever there is alcohol ... it might sound obvious, but a little food can slow down the drinking.
- Alcohol lowers inhibitions and someone needs to keep a clear head to limit personal consumption and watch for inappropriate behaviour or potential harassment.
- Provide taxi chits for a safe ride home.
- Allow employees to bring a guest or spouse. This can also help limit over-consumption and inappropriate behaviour.

Over-indulgence isn't the only challenge facing employers, so here are some extra considerations for successful holiday party planning.

- **Attendance:** 25.8% of employers say getting employees to come to holiday events is their greatest challenge.³ Involve team members in planning to get a better turn out.
- **Think outside the box:** Go beyond parties or dinners to plan an activity, such as laser tag, go-carting, or sleigh rides. This might generate more interest than a sit-down dinner or lunch.
- **Be inclusive:** Keep cultural diversity in mind while

planning your event since every culture celebrates at different times and in different ways.

- **Consider the time:** Holding the event during office hours might generate better attendance and interest.
- **Budget and taxes:** Social events do present tax issues. The Canada Revenue Agency (CRA) says holiday parties paid for by an employer can be considered a taxable benefit if the cost is more than \$100 per person⁴. Talk to your accountant to avoid tax surprises.



Consider the time: Holding the event during office hours might generate better attendance and interest.



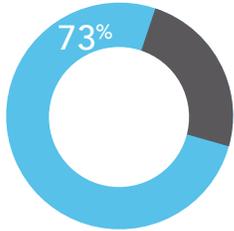
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Sources:

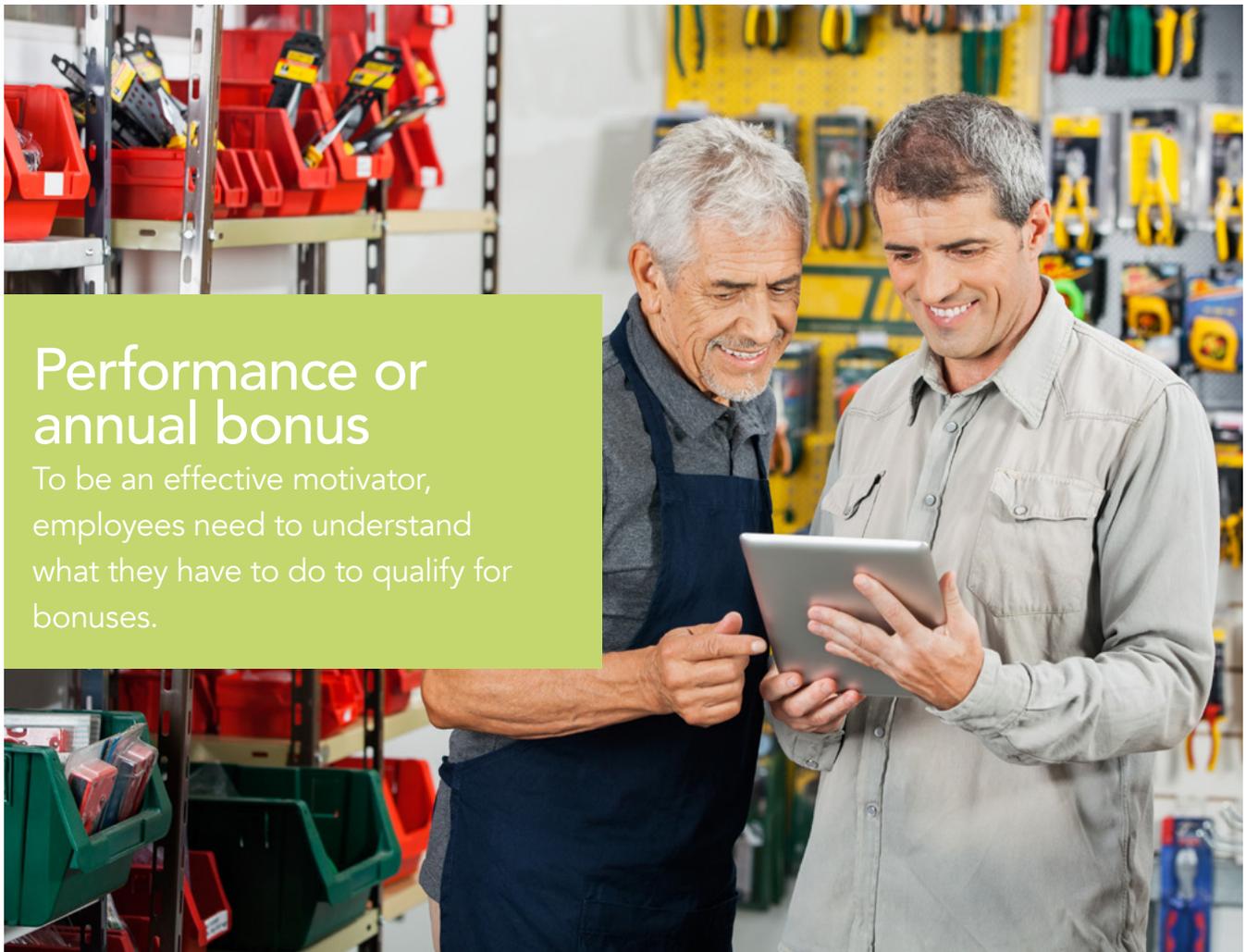
1. Watershed LLP, *Avoiding the Holiday Party Hangover*, 2012. 2. HRMOnline.ca, *Legal Eye Holiday Party Responsibility and Liability*, 2013. 3. HRinfodesk.com, *Challenges in planning the holiday party*, 2008. 4. Canada Revenue Agency, *Social events and hospitality functions*, 2012.

How to "show them the money"

Nearly three-quarters (73%) of workers believe competitive compensation and benefits are among the top five factors they look for in an employer.¹ If you want to attract great people, you have to start with competitive salaries, but today's top talent are looking for more. Compensation packages that go beyond base salary aren't just for large blue chip firms, they can also help small and medium-sized businesses (SMBs) with recruitment and retention.



73% of workers believe competitive compensation and benefits are among **the top five factors they look for in an employer**¹



Performance or annual bonus

To be an effective motivator, employees need to understand what they have to do to qualify for bonuses.

Here's a look at the top financial benefits sought by employees:

Employer-sponsored retirement plans

Designed to replace some employment income upon retirement (and as a supplement to CPP benefits) plans include:

- Registered pension plan (RPP) – The most common retirement plan, is offered to 38% of Canadian employees.²
- Group registered retirement savings plan (group RRSPs) – Employees and employers contribute to a pooled RRSP – an attractive option for SMBs.
- Deferred profit-sharing plans (DPSPs) – Employees are offered a financial reward based on employer year-end profit.

Group health benefits

Offering group benefits is linked to improved employee recruitment and retention; 47% of SMBs offer some type of benefits plan, with 22% of established companies providing retirement programs, while companies without benefits programs say retention and recruitment are the top motivators for starting one.³ Group benefits can be tailored to suit business needs and budget.

Performance or annual bonus

Whether tied to the attainment of specific goals, team performance, or a simple "thank you", bonuses are a commonplace in business. To be an effective motivator, employees need to understand what they have to do to qualify for bonuses.

While it's true that money is a primary motivator in today's workforce, you don't have to simply bump up an employee's salary to "sweeten the pot" and keep your talent engaged.

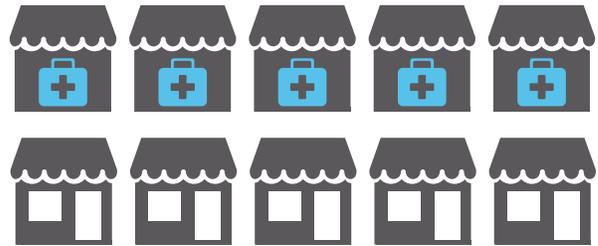
Here are a few other financial incentives you could

consider:

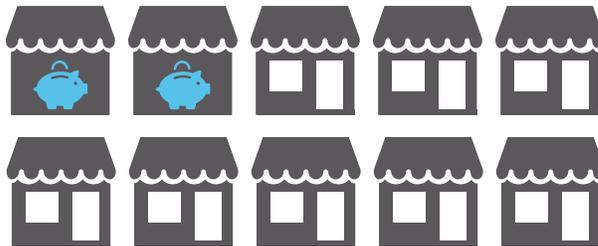
- Education or tuition reimbursement
- Sabbaticals after extended service
- Low interest loans
- Child care or elder care assistance

When considering compensation and benefits packages, don't forget to consult with legal, tax, and compliance specialists before finalizing your program.

Read the next articles in this series for ideas that go beyond financial incentives.



47% of SMBs offer some type of benefits plan³



22% of established companies providing retirement programs³

Sources:

1. Financial Post, *Better Compensation is back on top of Canadian employees' wish list*, 2013. 2. Statistics Canada, *Percentage of Labour force and employees covered by a registered pension plan (RPP)*, 2011. 3. Manulife Financial, *Manulife Financial Small Business Research Report*, 2013.

How group benefits aid recruitment and retention

Did you know that nearly half of Canadian workers say benefits play a key role in their decision to stay with an organization?¹ They also say they would choose benefits over a salary increase,² so companies that don't offer benefits could lose out when competing for top talent.

“ Did you know that nearly half of Canadian workers say benefits play a key role in their decision to stay with an organization?¹ ”

Track the numbers

Look at key indicators such as turnover, absenteeism, employee feedback, and productivity to see how well your program is performing. Your advisor should provide you with the information to make changes as needed to improve performance.



Survey show that while group benefits programs can help companies attract and retain top talent, 62% of small, and mid-size business owners admit their benefits programs don't completely satisfy their HR and business objectives.¹ Since benefits programs can average 14.3% of your total compensation costs,³ it's important to ask yourself a few questions (perhaps in consultation with experts in the field) to help ensure your benefits program effectively meets the goals you've set for your program, including:

- What benefits can my business afford?
- What benefits will best attract and retain the kind of employees my business needs?
- What business objectives will benefits help me achieve?

Here are some more tips for businesses looking to start offering group benefits:

- **You're never too small:** While plans can cover as few as two people, the value of a group benefit program increases dramatically with five or more employees.
- **Consult with the experts:** You should partner closely with a benefits advisor to learn about your options, the costs, and key features of an effective group benefits program. Select a company you trust to support you.
- **Don't set it and forget it:** Benefits programs can be fluid, so you should revisit your program regularly to make sure it continues to meet your needs and remains competitive.
- **Track the numbers:** Look at key indicators such as turnover, absenteeism, employee feedback, and productivity to see how well your program is performing. Your advisor should provide you with the information to make changes as needed to improve performance.

- **Consider a tiered approach:** Some benefits plans will allow you to extend coverage and options, which could become a perk/incentive for long-standing employees or top performers.

As with any compensation program, be sure to consult with the experts before you start, to understand all legal, tax, and compliance implications of the program you plan to implement.



62% of small, and mid-size business owners admit their benefit programs don't completely satisfy their HR and business objectives¹

Sources:

1. ADP, Accu-Screen, Inc., *The Society of Human Resource Managers, Resume Falsification Statistics*, 2012.
2. Sanofi, *The Sanofi-Aventis Healthcare Survey 2011*, 2011.
3. ADP, *Can You Afford the Status Quo?*, 2012.

How to move beyond cash compensation

While financial rewards and group benefits remain top employee considerations when looking to join or stay with a company, other perks can enhance corporate culture, reward performance, and improve retention.

“ Getting creative with staff rewards can be a real boost to morale and help you keep the talent you need. ”



Here are some ideas:

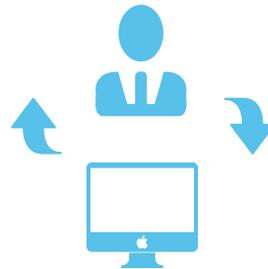
- **Working remotely:** By far the most popular option, employees appreciate the flexibility of working at home regularly or on a casual basis.
- **Flextime:** Morning people might want to start early, while night owls prefer to come in later. Consider flexible start times to keep everyone motivated.
- **Job sharing:** Two or more people share one position with each person on a pre-determined schedule. Businesses get the added benefit of having two people who are familiar with one position.
- **Compressed work weeks:** Who wouldn't like to have a little more time off? Adding hours to workdays mean you can offer longer weekends. As with any strategy to provide greater work/life balance, be sure to document policies clearly to comply with employment law.
- **Extra time off:** Offering someone extra time away from the office to unwind is a nice way to say thank you for long hours or show appreciation for good work.
- **Casual day or casual workplace:** Dressing down to support a charity or as part of your corporate culture can boost employee satisfaction.
- **Gift of giving back:** Give employees time to volunteer in their communities or provide donation-matching programs.

Other low-cost rewards or incentives:

- Direct deposit of paycheques save employees a trip to the bank
- Tickets to a game, movie, or entertainment event
- Restaurant gift certificates
- Wellness credit - annual or monthly amount for staff to use for sports, fitness, or other activities that help them unwind
- Commuter benefits - monthly transit passes or parking privileges
- A couple of hours from a house cleaning service

- Catered lunch or take home dinners - a real perk after busy days
- Spa day/massage certificates

Getting creative with staff rewards can be a real boost to morale and help you keep the talent you need, but as with any non-salary benefit, you should check with tax, legal, and compliance experts to fully understand the potential impact of any perks you provide.



By far the most popular option, **employees appreciate the flexibility** of working at home regularly or on a casual basis.



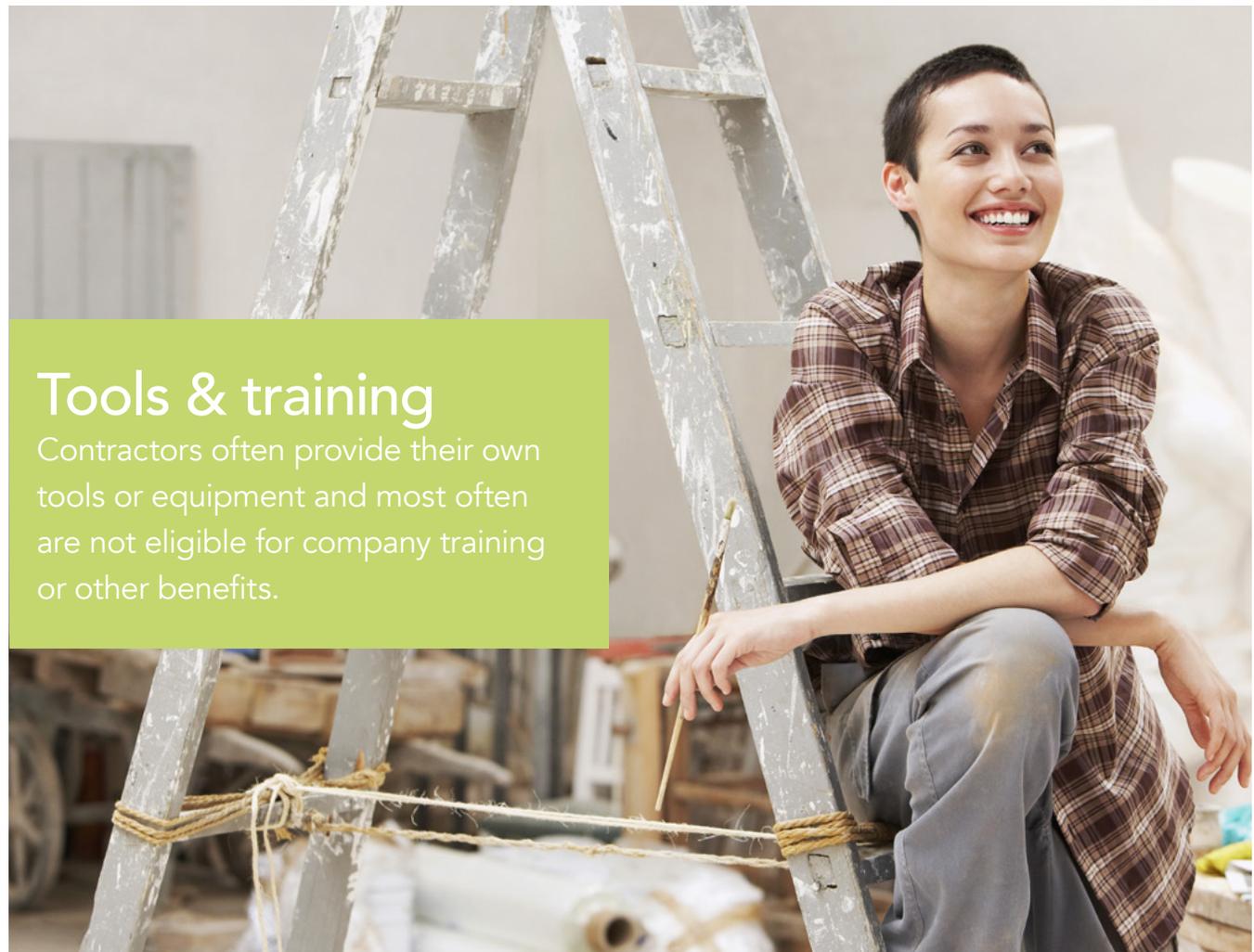
Give employees time to volunteer in their communities or **provide donation-matching programs.**

How to know if the contractor is really an employee

With 1 in 4 people working for themselves or on temporary contracts, defining who is a contractor and who is an employee is becoming a significant human resource management challenge. Plus, it's important to get the distinction right because some companies that got it wrong, have ended up in court facing severance costs, fines, back taxes, and penalties.¹

You've just found the perfect addition to your team and decided to hire them as a "consultant" or "independent contractor". It's great that you've found the right fit for your needs, but are you certain this contractor isn't (in the eyes of the government) an employee?

“ Defining who is a contractor and who is an employee is becoming a significant human resource management challenge. ”



Tools & training

Contractors often provide their own tools or equipment and most often are not eligible for company training or other benefits.

Government bodies and Canadian courts have outlined factors that can help distinguish independent contractors from employees. Here's a quick summary:

Control:

Usually, a contractor has more autonomy than an employee within the framework for the work needed to be done by the business, including scheduling and hours.

Accountability:

Contractors provide invoices outlining project, deliverables, and/or hours, and are responsible for remitting taxes. They don't punch a time clock or fill in timesheets resulting in a paycheque.

Tools & training:

Contractors often provide their own tools or equipment and most often are not eligible for company training or other benefits.

Subcontracting:

A contractor can subcontract all or part of the work being contracted and/or hire assistants to complete tasks as needed.

Multiple clients:

A contractor has the ability to work for numerous companies over the course of a year, and even work on multiple projects simultaneously.

Management and investment:

Contractors buy tools and pay for ongoing operation of their business, including payroll, marketing, and other capital investments.

Profitability & financial Risk:

Normally, there is an opportunity to profit from a contract and the potential to lose money if the cost of fulfilling the contract is higher than the fees collected.

Signed agreement:

The contractor has been hired for a specific project and has a contract outlining key terms.²

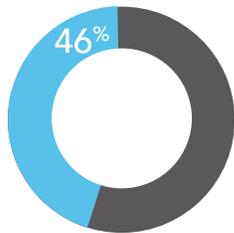
If most of these factors don't apply to your new hire, you're likely hiring an employee not a contractor, but it is worth a call to your local government agency or legal advisor to double check.

Sources:

1. Canadian Payroll Association, *Employee or Contractor: Where to Draw the Line*, *Dialogue*, Jan/Feb 2013.
2. Canada Revenue Agency, *Employee or self-employed?*, 2013.

How to implement flexible workplaces

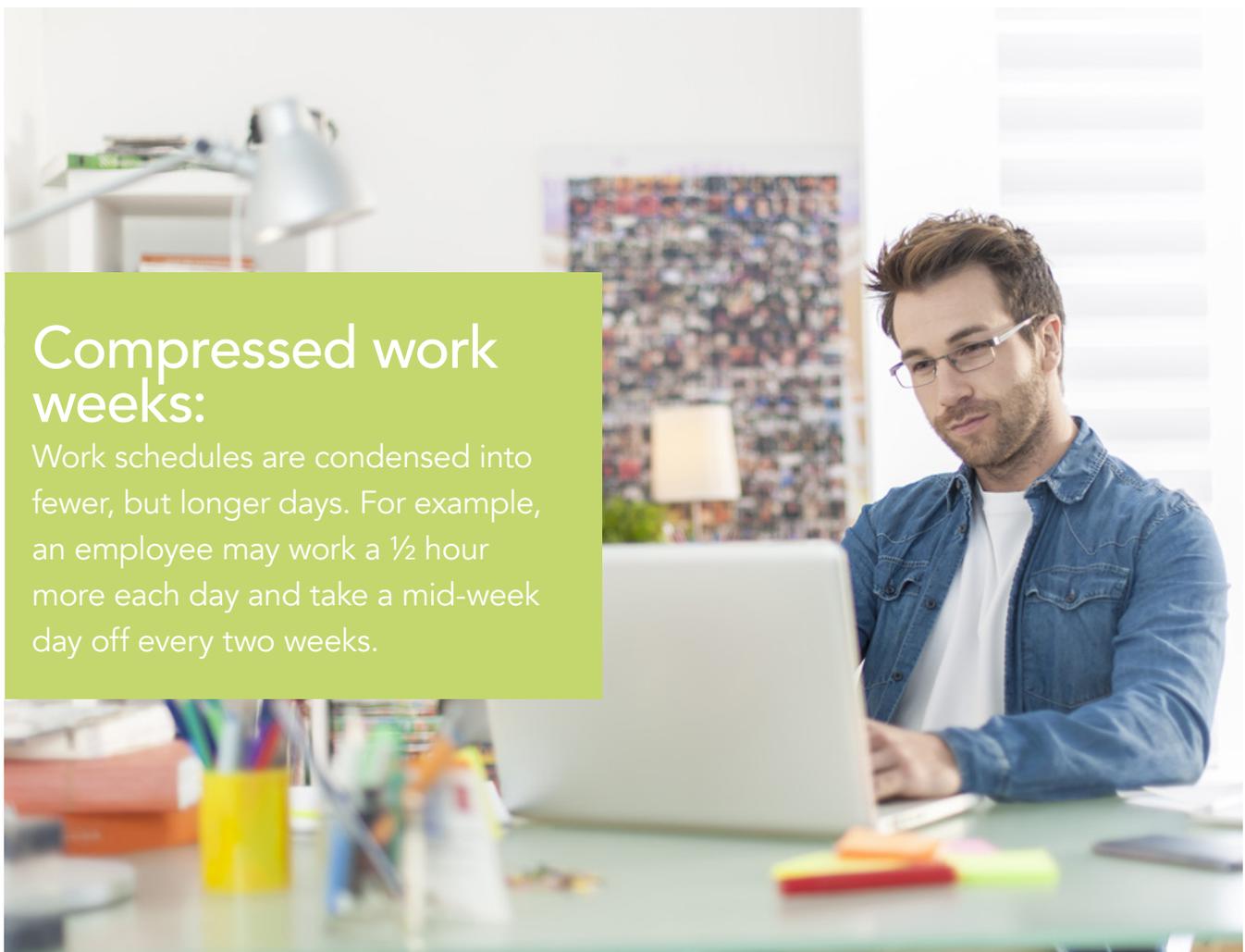
Global surveys indicate that 46% of Canadians work in some kind of flexible work environment¹ and that 89% of employees think companies with flexible work programs are more attractive.² Business owners concerned about employee recruitment and retention might want to launch flexible workplaces to attract and keep top talent.



Global surveys indicate that **46%** of Canadians work in some kind of **flexible work environment**.¹

Compressed work weeks:

Work schedules are condensed into fewer, but longer days. For example, an employee may work a ½ hour more each day and take a mid-week day off every two weeks.



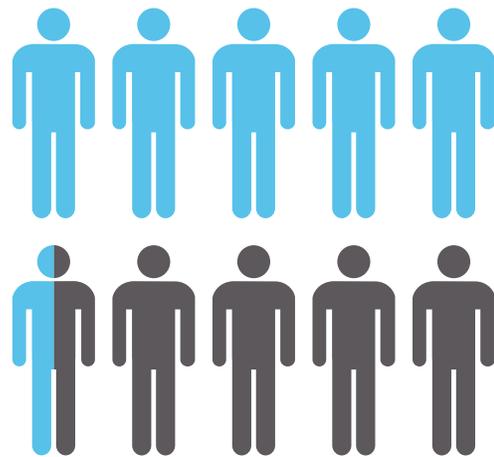
There are lots of options for flexibility that go beyond working from home including:

- **Flextime:** A work schedule with variable starting and ending times, within limits established by corporate policies, and approved by supervisors. Employees still work the same number of scheduled hours, but have the option to arrive earlier or later.
- **Compressed work weeks:** Work schedules are condensed into fewer, but longer days. For example, an employee may work a ½ hour more each day and take a mid-week day off every two weeks.
- **Job sharing:** Two or more part-time (or occasional) employees share the responsibilities of one full-time job at a pro-rated salary, which allows businesses to hire someone who is not able or willing to work full time, or transition someone looking to cut back or ease into retirement.

How do you start?

- **Define your objectives** – what you want to achieve, what results you expect.
- **Determine eligibility** – what roles can be performed in a flex environment, who can participate in the program and when.
- **Document** – keep detailed records of the agreement, and verify it complies with employment standard rules, compensation requirements, and employment law.
- **Communicate** – clearly define the policies and how employees can take part while encouraging participation. Flex environments fail if employees feel participation is discouraged.
- **Monitor** – regularly touch base with supervisors, staff and clients to determine what is and isn't working. Address issues quickly!
- **Provide leadership** – support the new work environment in both words and actions, while providing supervisors with the training and support they need to make it work.

- **Focus on results** – look at productivity and not the time clock.
- **One size doesn't fit all** – not every employee will flourish in this setting, so make it an option not mandatory and intervene if morale or performance fluctuates.



56% of employees work harder for a company offering flexible work environments², so perhaps the time is right to inject some **flexibility into your workplace**

Sources:

1. Decima/Harris, *New Harris/Decima survey reveals 89 per cent of Canadians attracted to companies that offer flexible work*, May 2010. 2. Globe & Mail, *Flexible work options: From recession cost cutter to talent magnet*, June 2010.

How to comply with employment standards rules

To help make sure all employees are treated fairly, the federal and provincial/territorial governments have established minimum employment standards that apply to almost every industry.

With the exception of federally-regulated industries (like telecommunication or banking), worker regulation is a provincial responsibility, which means, for example, employment standards in New Brunswick are different from those in Alberta or Quebec.



24 hours
off per week



\$9.05 and \$10.45
minimum wage averages around Canada



It's critically important for employers to comply with these standards, including these key areas:

- **Hours:** A standard work day is most often defined as an eight hour day, with overtime payable anywhere between 40 and 44 hours a week. Guidelines also require a minimum of 24 hours off per week.
- **Minimum wage:** Averages are between \$9.05 and \$10.45 across Canada.
- **Pay days:** Employees need to be paid at minimum either bi-weekly or monthly depending on the province.
- **Holidays:** The only mandatory holidays are statutory or public holidays. Each jurisdiction recognizes between 5 and 10 legislated holidays.
- **Vacation time:** Every province has defined rules for calculating full-time, permanent employees' vacation time, often based on pay, and time accrued over the course of a year.
- **Maternity/parental leave:** Eligibility for job-protected maternity/paternity leave varies from 17 to 52 weeks across the country. Check on the rules that cover your region or industry to know what you must provide.
- **Employment insurance:** Employers must deduct EI benefits from an employee's pay. Employee eligibility to receive this government funding is based on minimum hours worked in the past year (and subject to provincial rules).
- **Pension:** All employers must deduct the employer and employee contribution to the Canada Pension Plan (which represents about 2.95% of salary). At age 65, all workers are entitled to receive benefits (even if they're still working).
- **Health & safety:** All employers must adhere to occupational health and worker safety legislation and take measures to help keep workers safe.

- **Termination notice:** Notice of termination is required in all provinces anywhere between 30-90 days of continuous work. Employment standards across Canada also require employees to give notice before quitting or requesting a statutory leave of absence.

To make sure you are following the rules, double check the specifics for your region. Knowing the rules can help you avoid future employment issues while making sure you are treating all your workers fairly.



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Pay days: Employees need to be paid at minimum either bi-weekly or monthly depending on the province.

How to make the departure experience effective

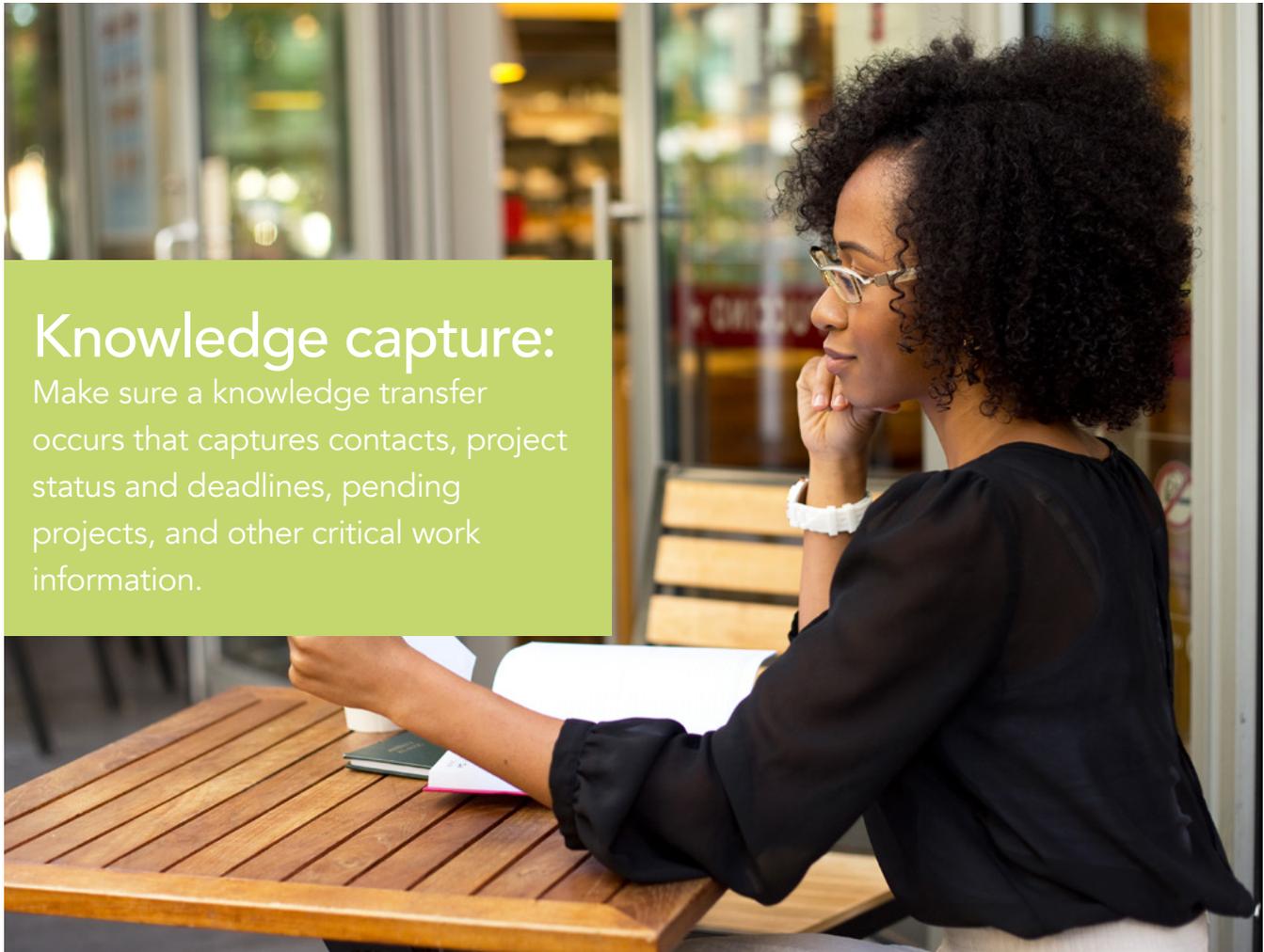
Leading employers often have onboarding programs to make a new employee's introduction to a company a positive one, but it is equally important that the departure experience is effective. This process is called offboarding and it is one of the most neglected areas of talent management.¹

Some people might think offboarding is a waste of time (and only 29% of businesses have formal offboarding strategies²), but former employees can play a valuable role in your future. How? They could come back as clients generating revenue for your firm, refer new clients to you, return in a more senior role (called boomerang employees), or become ambassadors to help you attract new talent.

“ How a company manages the exit process can have an impact on the morale and engagement of remaining employees, so it's a good idea to take time to ease the transition of any employee departure. ”

Knowledge capture:

Make sure a knowledge transfer occurs that captures contacts, project status and deadlines, pending projects, and other critical work information.



Here are some elements of offboarding:

Knowledge capture:

- Make sure a knowledge transfer occurs that captures contacts, project status and deadlines, pending projects, and other critical work information.

Consistent approach:

- Consider a thorough, defined process that forces you to review all factors related to an employee's departure, whether they leave voluntarily (resign or retire) or involuntarily (business restructure/ downsize or performance misconduct), to ensure decisions are consistent, sound, and that you treat all employees fairly.
- Consider using technology to facilitate a consistent process and to capture the same information for all employees who leave the company. A departure checklist is also recommended to track requirements.

Exit interviews or surveys:

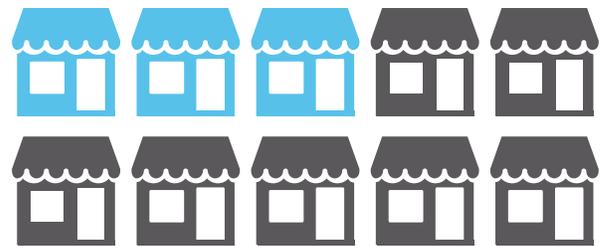
- Questions should include reasons why the employee is leaving (unless confidential or sensitive)*, what your organization is doing well, what areas you could improve upon, and what skillset is needed for the job being vacated. Additionally, it is important to take the time to say goodbye on good terms, regardless of the situation.

Beyond the last day, consider ways to continue to engage with past employees:

- **Alumni groups:** Social media groups or portals can allow you to continue to connect and provide information on opportunities or company news.
- **Referral programs:** Consider providing incentives for alumni to refer new talent into your organization.

Preparing for and executing a formal offboarding process can provide useful insights and feedback into top HR and business issues surrounding employee engagement and can help improve employee retention efforts.

* It is important to ensure that privacy or human rights laws are not breached when discussing reasons for departure.



Only 29% of businesses have formal offboarding strategies.²

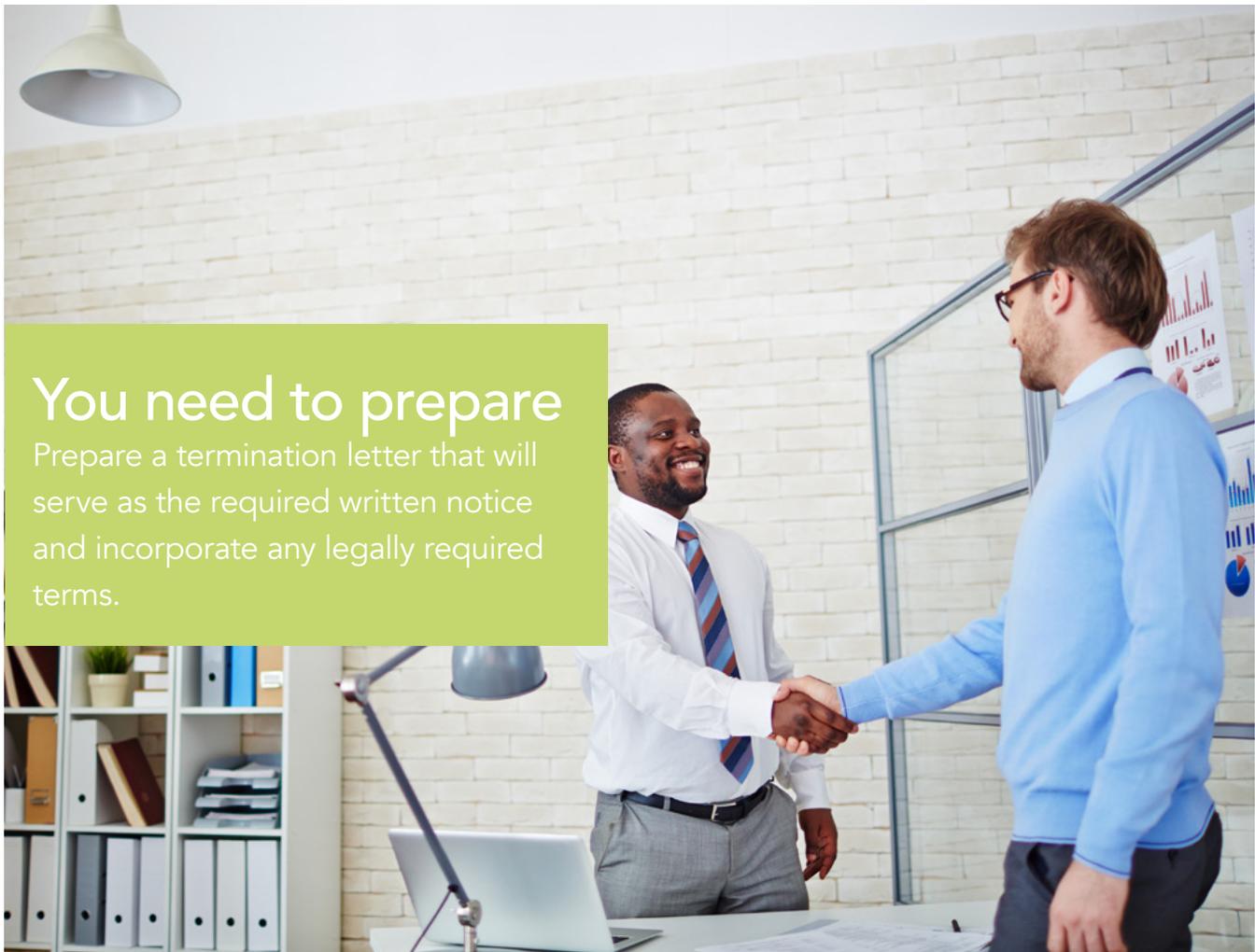
Sources:

1. Aberdeen Group, *Offboarding: Leaving a Lasting Impression*, May 2013. 2. HR Today, *Exit Strategies*, June 12, 2013.

How to prepare to say goodbye

No one enjoys the involuntary termination of employees, regardless of whether it is for performance misconduct or as part of a larger layoff. It's important to handle each one carefully to reduce the risk of a legal challenge if the employee disputes the termination.

“ Every termination situation is **different** so it is important to validate **your approach with legal counsel.** ”



You need to prepare

Prepare a termination letter that will serve as the required written notice and incorporate any legally required terms.

There are two main types of involuntary termination, and each one has different legal notice and employer requirements.

- **Termination with cause:** The employee has adversely impacted the business by actions or inactions, and it is shown that similar actions would seriously harm the business or its workers. It is very difficult to meet this threshold, and it occurs generally in cases of theft or serious breaches of company policy.
- **Termination without cause:** Often as a result of restructuring and downsizing. It generally requires advance notice and/or termination or severance pay.

There are two types of potential recourses for an employee in the event an involuntary termination is without cause:

- **Statutory entitlement:** By law, an employee is legally entitled to minimum notice and/or severance payments*; or
- **Wrongful dismissal:** An employee can potentially file this legal claim if they wish to pursue a remedy for common law notice which is higher than the statutory minimums; this includes constructive dismissal claims for example where there has been a change in their employment (such as reduced hours or salary, change of work location or removal of authority).

Prior to any termination, you need to:

- Gather all pertinent information on the employee, including contracts, attendance records, and performance reviews.
- Review all HR documents to verify years of service, unused vacation, and ensure the termination does not violate any statutory protections, such as human rights.
- Get legal advice to help you determine reasonable notice, severance requirements, and to minimize the risk of litigation as every situation may be different.
- Prepare a termination letter that will serve as the required written notice and incorporate any legally required terms.

Treating the employee with dignity throughout the termination process is important to avoid any potential for additional damage awards.

Every termination situation is different so it is important to validate your approach with legal counsel. Taking the time now to prepare correctly can help avoid ill will, potential litigation and help reduce the termination's impact on your business and employees.

* This is outside any potential human rights or other statutory claims an employee can make not covered by employment/ labour standards legislation.



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How to cover your termination bases

As with any HR process, there are specific steps that should be taken and important considerations for employers who are terminating a worker's employment.

“ Verify if there is vacation time for pay owed, and other legal requirements, such as benefits continuation. ”



Prior to the meeting

- **Verify notice requirements:** Employment/labour standards laws outline the minimum requirements for notice, as well as pay and severance requirements. These also may be stipulated in the employee's contract.
- **Get legal advice:** To help you determine reasonable notice and severance requirements, to minimize the risk of litigation, as every situation may be different.
- **Prepare paperwork:** This includes the letter of termination that should provide information, such as the date of termination, the notice period and how it will be served, any termination or severance pay, and other benefits or compensation being offered. Verify if there is vacation time or pay owed, and other legal requirements, such as benefits continuation.
- **Plan the meeting:** Hold it in a neutral, but private location (such as a meeting room).
- **Consider timing:** Avoid holidays, vacations, and Fridays, which prevent an employee from obtaining legal help or counselling. Scheduling the meeting for the end of a day can provide privacy since other workers will have already left.

During the meeting

- **Don't do it alone:** Generally the manager and one other person are in the meeting as witnesses to protect yourself from potential litigation.
- **Keep it neutral:** The tone of the meeting should be respectful and calm, while being professional and polite. This is not the time to rehash old issues.
- **Be brief:** Keep the meeting to 10-15 minutes while covering key points from the termination letter.
- **Explain what's next:** Employees should know where to go after the meeting and who to contact.
- **Verify time and expenses:** Collect all final time sheets and expense reports. Unionized contract agreements or employment/labour standards laws set out specific timeframes for final payments.

- **Collect company property:** Whether the last day is immediate or after a notice period, use a checklist to be certain you've collected all company-owned property including computers, cellphones, keys, and security or parking passes. Reset all security codes.
- **Discuss employee departure:** Allow employees to collect their personal belongings or offer to collect for them, and confirm they have a safe way to get home.
- **Every situation is different:** Ensure legal advice is obtained; for example, if termination was for cause due to theft or fraud, a different departure process may be required.

After the meeting

- **Gather signatures or documentation:** If a release is required as part of the termination agreement, don't have it signed in the meeting. Employees need time to review the package.
- **Keep a file:** By law, businesses have to retain/archive certain employment documents for a specific timeframe.
- **Provide record of employment:** Businesses must provide this record within the timeframes specified by Service Canada.¹

Sources:

1. Service Canada, *Understanding the Record of Employment Form*, August 8, 2014



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We hope you found these HR tips helpful

If you would like to learn more about what ADP can do for your business, do not hesitate to get in touch.

Call 1-866-228-9675 or visit adp.ca

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