



FACT SHEET

Termination of Employment

There are 3 ways in which an employment relationship can be terminated:

- At the employees initiative (i.e. retirement, resignation or abandonment of employment)
- At the employers initiative (i.e. dismissal or redundancy)
- Other circumstances (i.e. death of the employee, end of contract period)

Before terminating an employee you must ensure that the termination is valid and lawful. You should ensure that the employment does not breach anti-discrimination laws, equal opportunity laws and any other applicable legislation.

Always ensure that the termination is in writing and that the employee is provided with a written notice of termination (this letter should not be dated earlier than the date that notice was given to the employee). Notice of termination can either be hand delivered to the employee personally or posted out to the employee's known address (we recommend registered post).

Should you need assistance in drafting a **letter of termination**, contact us on 1300 116 400 or via email support@workplacepartners.com.au

You must be aware of the notice period you need to provide to an employee when terminating the employment relationship.

The table below sets out the minimum amount of notice as per the Fair Work Act.

| Employee's period of continuous service with employer | Period |
|---|---------|
| Less than 1 year | 1 Week |
| More than 1 year but not more than 3 | 2 Weeks |
| More than 3 years but not more than 5 | 3 Weeks |
| 5 years or more | 4 Weeks |

If an employee is **over 45 years of age** and has completed **at least 2 years of continuous service** at the end of the day the notice is given, they are **entitled to 1 week in addition** to what they are entitled to above.

The notice period applies to both the employer and employee (however an employee over the age of 45 is not required to provide the additional weeks' notice).

The minimum notice period set out in the table above may not apply in all circumstances, please contact Workplace Partners should you need specific advice about the notice periods.

Upon termination, you must pay to the employee all outstanding accrued entitlements e.g. unused annual leave or long service leave. For long service leave entitlements please refer to the applicable State legislation. A detailed final payment statement must be provided to the employee which clearly sets out their final ordinary pay, leave payments, termination payments (if paying in lieu of notice), any other payments and any deductions including tax deductions.

The information provided above is for convenient reference only. This information should not be relied on solely when making a decision as the circumstances surrounding each matter are specific. The information is for general reference only and we advise that you take no action without first seeking advice.



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You must also ensure that all records of the terminated employee is kept for a minimum of 7 years, this includes all payroll records, termination record and other employment details (e.g. employment contracts and personal data).

A Statement of Services must be provided to the employee upon request.

For advice or enquiries on this or any other workplace matters, contact us on **1300 116 400** or email support@workplacepartners.com.au

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