# Termination Checklist for Massachusetts Employers

| Type of Termination | Intent to Rehire | Eligible for UI (Unemployment Insurance) | Final Paycheck With Accrued Unused PTO (Paid Time Off) In all scenarios, separated employee must be paid in full on their last day | Severance Not required by Federal or MA law. Standard practice is 1-2 weeks for each year of service | Benefit Continuation During Separation *See info on COBRA below |
|---|---|---|---|---|---|
| **Furlough – A mandatory suspension of work. Reduction in hours or taking a certain amount of unpaid time off** | YES | YES | NO | NO | YES |
| **Layoff – A separation of employment** | MAYBE | YES | YES | OPTIONAL | NO |
| **Reduction in force (RIF) – Position is eliminated** | NO | YES | YES | OPTIONAL | NO |

## BENEFITS

- ☐ **COBRA**: Information on how to continue group health benefits for covered employees, their spouses, former spouses and dependent children for up to 18 months.

  Applies to employers with 20 or more employees (check state law for Mini-COBRA requirements).

  When furloughed, benefits are retained. If a layoff or RIF, you must offer COBRA.
- ☐ **Unemployment Insurance**: Information on how to apply - Click here
- ☐ **FSA** (Flexible Spending Accounts) or **HSA** (Health Savings Account) communicate termination process.
- ☐ **PTO** (Paid Time Off): Inform employee of remaining PTO and how it will be processed at termination of employment (see chart above for requirements).
- ☐ **401(k)** documents: Inform employee about retirement plan options such as how to rollover funds.

## COMPENSATION

- [ ] Work with your payroll department to ensure accrued and unused PTO (see chart above) is factored into final paycheck. Have the calculation documented.
- [ ] If paying severance, inform payroll department if this should be considered a lump sum payment or salary continuation.
- [ ] Outstanding balance for money owed to the company: educational loans, etc.

## LEGAL

- [ ] Remind and, if applicable, provide employee with a copy of any legal obligations that continue post-employment such as non-disclosure, confidentiality agreements, employment contracts, etc.

## GENERAL OFFICE

- [ ] Work with your IT department to disable or inactivate (if furloughed) employee.
- [ ] Confirm employee contact information for future correspondence.
- [ ] Have employee sign an acknowledgment form that separation information was provided and discussed.
- [ ] Collect keys and employer equipment.

Allow this to serve as a guide when terminating employee(s). Employers are encouraged to seek legal advice from an attorney. All employers must adhere to anti-discrimination laws (sex, age, race, ethnicity, disability, etc.) regardless of type of termination.
***Legend:*** If written in red, it is legally required. The rest are best practices.

If you have questions about the impact of the coronavirus, please contact a member of your DGC client service team, or Dawn Hagman, SPHR, SHRM-SCP at 781-937-5345 / dhagman@dgccpa.com for more information. You can also visit our coronavirus web page at dgccpa.com/coronavirus which will be continuously updated with new articles and checklists to help you deal with the impact of coronavirus on you and your business.