Termination of Employment Policy (Non-Union)

<table>
<thead>
<tr>
<th>POLICY STATEMENT</th>
<th>The City of Hamilton is committed to treating all employees with dignity and respect and in accordance with all employment law when it is necessary to terminate employment.</th>
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<tbody>
<tr>
<td>PURPOSE</td>
<td>The purpose of this policy is to acknowledge that there will be circumstances where it may be necessary to terminate non-union employees “without cause”. Although not considered to be the norm, where appropriate in such cases, alternate employment offers will be explored which preserve employee dignity and provide meaningful employment before offering a separation package. The City of Hamilton also acknowledges that there will be circumstances where employees will be terminated for “cause”. In these situations, no alternate offers of employment will be made.</td>
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<tr>
<td>SCOPE</td>
<td>This policy applies to all regular non-union employees of the City of Hamilton and to non-union temporary employees as provided for by this policy. Where an employee has in his or her employment contract, specific provisions for termination of employment which vary from the terms of this policy, the provisions in his or her employment contract will prevail.</td>
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<td>PRINCIPLES</td>
<td>An employee whose employment is terminated without cause may be eligible for a severance package in accordance with the terms of this policy. There may be circumstances, however, where as an alternative to termination of employment, the employee is permanently reassigned to another position within the City. In those instances, the employee will not be eligible for a separation package. Where appropriate, working notice will be provided as an alternative to a full severance package. Such working notice may include continued employment within the employee’s current position or a temporary re-assignment to another position within the City. Consideration for either permanent re-assignment or working notice will be reviewed by the applicable department(s) in collaboration with the Executive Director Human Resources and Organizational Development (or designate).</td>
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### DEFINITIONS

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<th><strong>Severance Package</strong></th>
<th>Salary continuance or a lump sum payment that is reflective of common law entitlements in consideration of the employee's employment circumstances.</th>
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<td><strong>Termination With Cause</strong></td>
<td>Dismissal of an employee as a result of actions or misconduct that has irreparably damaged the employment relationship between the employer and the employee.</td>
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<tr>
<td><strong>Termination Without Cause</strong></td>
<td>Dismissal where an employee is terminated for reasons that are not related to misconduct.</td>
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<tr>
<td><strong>Working Notice</strong></td>
<td>Where employees who have been given notice of termination continue to work through the notice period.</td>
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### TERMS & CONDITIONS

**Severance Package**

The Severance Package includes notice of termination and severance payments to which the Employee would be entitled under the Employment Standards Act, 2000.

The salary continuance period will end upon the commencement of alternate employment, provided that the minimum notice and severance requirements under the Employment Standards Act, 2000 have been met. At this point, the employee will receive 50% of the outstanding balance of the salary portion of the severance package.

Group health, dental and vision benefits, life insurance, and employer pension contributions will continue for a period equivalent to the applicable period of salary continuance, or until the

A temporary employee whose employment is terminated without cause will be entitled to notice of termination or payments in lieu of notice of termination in accordance with the provisions of their employment contract's terms and conditions of employment. Temporary employees are not eligible for career transition services or reimbursement of professional fees for a lawyer or financial advisor.

Any employee whose employment is terminated with cause is not eligible for a separation package.
employee secures alternative employment, whichever occurs first. (In no event will the period for continuation of benefits be less than what the employee would be otherwise entitled to under the Employment Standards Act, 2000).

All other benefits, including short-term and long-term disability, accidental death and dismemberment benefits, and optional life insurance, cease upon termination of employment. There is no option for cash in lieu of benefits or pension contributions.

Career transition services will be retained on the employee’s behalf by Human Resources and will be based on the employee’s level in the organization and his/her re-employment prospects. Employees who choose to retire will not be provided with career transition services.

Payment of professional fees to a maximum of $500.00 will be provided in order to have the severance package reviewed by a lawyer and/or financial advisor, subject to the provision of an invoice in satisfactory form to the City of Hamilton.

Provision of the severance package confers an obligation on the employee to seek alternate re-employment during the salary continuance period.

Payment for unused vacation, lieu time, and any other amounts owing to the employee will be paid in a lump sum, in accordance with the Employment Standards Act, 2000. Unused E days are not paid to the employees in receipt of a separation package. Vacation credits will not be earned during the salary continuance period.

Sick bank payouts, where applicable, will be paid in a lump sum.

The salary continuance period may be structured to facilitate retirement, if the employee so chooses. However, the choice of a retirement option may affect the amount and terms of the separation package. Eligibility for retiree benefits will be in accordance with the Council approved policy in place at the time of the employee’s termination through a retirement option.

In the alternative and where appropriate, an employee may be provided working notice either within their current position or through a temporary re-assignment to another position within the City. In such circumstances, the employee will be provided with a severance payment in accordance with the Employment Standards Act of Ontario.
### Full and Final Release of Employment and Agreement of Notification

An employee who is offered a severance package will be required to sign a Full and Final Release of Employment and an Agreement of Notification in order to:

- release the City from any present and future claims by the employee, including but not limited to claims for wrongful dismissal, claims for short and long term disability benefits, and claims under Ontario’s Human Rights Code, the Workplace Safety and Insurance Act, or other employment legislation.

- ensure confidentiality surrounding the terms of the separation.

- confirm that if the employee obtains alternate employment during the period of salary continuance, he or she will notify the City.

### RESPONSIBILITIES

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<tr>
<th>Role</th>
<th>Responsibilities</th>
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| **Employee**          | - Sign a Full and Final Release of Employment and an Agreement of Notification  
                                               - Adhere to the conditions set out within the Severance Package |
| **Managers/Supervisors** | - Consult with Employee and Labour Relations in Human Resources for guidance and support prior when dealing with employee discipline or a potential termination |
| **Human Resources**   | - Administer the Termination of Employment Policy (Non-Union)  
                                               - Consult with Managers and provide advice and support for all potential terminations and in the development of severance packages  
                                               - Assist in the interpretation of relevant employment legislation (including the Employment Standards Act, Ontario Human Rights Code, etc.) as it relates to the termination of employees  
                                               - Seek approval from the City Manager prior to any non-union termination |
| **City Manager**      | - Approve all non-union terminations and ensure Council is aware of high profile situations in advance of the |
COMPLIANCE

If the employee does not return the signed *Full and Final Release of Employment* and *Agreement of Notification* to the designated City of Hamilton official within one month of the date of the letter of termination, the employee will only be eligible to receive notice of termination and severance payments, if any, to which he or she would have been entitled under the *Employment Standards Act, 2000*. For greater clarity, the employee will only be eligible for continuation of eligible benefits during the period of notice of termination, in accordance with the *Employment Standards Act, 2000*. The employee will not be eligible for career transition services or reimbursement of professional fees.

RELATED DOCUMENTS

The following related documents are referenced in this Policy:

1. *Employment Standards Act 2000*
2. *Eligibility for Re-employment Policy*

HISTORY

This Policy was developed by Human Resources in consultation with an employment lawyer. This policy replaced the former policy named Termination of Employment Policy (non-union) dated Dec. 2\(^{nd}\) 2004. This Policy was approved by Senior Management Team on 2010-11-18.

Human Resources updated this policy on 2014-05-23. The updated policy was approved by Senior Management Team on 2014-05-29.