

Law Note - Employers Must Employ Caution When Firing

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Jacqui Stuart's employer, Navigata Communications, decided there was no longer room for part-time work and fired her after 24 years of service, even though she was a top sales executive. Prior to that, the company asked Stuart to consider a severance package but it deliberately led her to believe she had a choice and could return to work. The court awarded her 18 months of damages in the amount of \$216,666 plus legal costs. The final severance was increased by the fact that this all occurred while she was dealing with her son's serious, unexpected illness. The lessons for employers are clear:

- A decision to terminate an employee's employment should be communicated in a timely fashion.
- The termination decision should be presented candidly and honestly to avoid additional damages.
- Don't take advantage of an employee's particular vulnerability.
- Negotiations for severance pay must be reasonable in light of the employee's position and tenure.
- If the employee is going through a particularly difficult time, be prepared to pay a little more.

This law note was prepared by Howard Levitt.

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