Basic Checklist for Termination of an Employee For California Employers

For purposes of this checklist, a terminated employee is one who has been terminated, discharged for discipline, or laid off.

# Mandatory Actions

* Pay earned but unpaid "wages." Labor Code Section [201](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=lab&group=00001-01000&file=200-244)
* Pay "Vacation Pay" for vested unused vacation. Labor Code Section [227.3](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=lab&group=00001-01000&file=200-244)
* Issue pamphlet "For Your Benefit" Employment Development Department (EDD) Form [DE 2320](http://www.edd.ca.gov/pdf_pub_ctr/de2320.pdf) . UI Code Section [1089](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=uic&group=01001-02000&file=1085-1098)

* Issue a "Change of Status Notice." UI Code Section [1089](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=uic&group=01001-02000&file=1085-1098) (Not for employees who quit).
* Issue a "Health Insurance Premium Program" [(HIPP) Notice](http://www.dhcs.ca.gov/services/Documents/HIPP%20DHCS%209061%20ENGLISH%20%28Notice%20to%20Terminating%20Employees%29%20Revised%2001-14.pdf) . Employers with 20 or more employees, and if employee was covered by health insurance. Labor Code Section [2807](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=lab&group=02001-03000&file=2800-2810.5), and Welfare and Institutions Code Section [14124.91](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=wic&group=14001-15000&file=14124.70-14124.94)
* "Insurance Privilege Rights." Issue notice to employee of all continuation, disability extension, and conversion coverage options under any employer-sponsored coverage for which the employee may remain eligible after employment terminates. Labor Code Section [2808(b)](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=lab&group=02001-03000&file=2800-2810.5)
* "COBRA-Federal" Generally employers with 20 or more employees who provide medical benefits. Issue notice to employees and dependents of their rights to extend their group health plan coverage(s). Notice to plan administrator within 30 days. Plan administrator notice to employee/dependents within 14 days. [26 CFR 54.4980B-1](https://www.law.cornell.edu/cfr/text/26/54.4980B-1)

"COBRA-California" Generally employers with 2-19 employees (effective 1/1/98) must notify the health care provider, that an employee has terminated. Health and Safety Code Section [1366.20-1366.28](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=hsc&group=01001-02000&file=1366.20-1366.29)