

[Company Name]  
[Company Address]  
[City, State, Zip Code]

[Date]

[Employee Name]  
[Employee ID]  
[Home Address]

**Subject: Notice of Separation and Severance Agreement**

Dear [Employee Name],

We regret to inform you that [Company Name] has recently experienced the cancellation of a major contract, specifically [Contract Name/Client Name]. As a result of this significant loss in business volume, we must reduce our workforce. Unfortunately, your position as [Job Title] is being eliminated, effective [Last Working Day].

This decision is due to external business circumstances and is not a reflection of your individual job performance.

**Severance Pay:**

In recognition of your service, the Company offers you a severance payment of \$[Amount]. This payment is subject to standard payroll taxes and withholdings. To receive this payment, you must sign and return the attached Separation Agreement and General Release by [Deadline Date].

**Benefits Coverage:**

Your healthcare benefits will continue through [Date]. Following this date, you will receive information regarding your right to continue coverage under COBRA. Any accrued but unused Paid Time Off (PTO) will be paid out in your final paycheck on [Date].

**Company Property:**

Please return all company property, including laptops, keys, and badges, to [Department/Name] by [Date].

**Career Transition:**

[Optional: Details about outplacement services or letters of recommendation].

We thank you for your contributions to [Company Name] and wish you the best in your future endeavors.

Sincerely,

[Signature]  
[Name of Sender]

[Title]

[Company Name]