

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

[Date]

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

**Subject: Notice of Early Contract Termination**

Dear [Employee Name],

This letter is to formally notify you that [Company Name] is terminating your employment contract effective [Last Working Day].

Due to unforeseen budget cuts and a restructuring of our department finances, we are forced to reduce our workforce and end certain contracts earlier than originally scheduled. This decision is strictly due to financial constraints and is in no way a reflection of your individual performance.

As part of this early termination, you are entitled to a severance package. The details of your severance are as follows:

- **Severance Pay:** A lump sum payment of [Amount], equivalent to [Number] weeks/months of pay.
- **Unused Leave:** Payment for [Number] days of accrued but unused vacation time.
- **Benefits:** Your health insurance coverage will continue until [Date].

To receive the severance pay mentioned above, please sign and return the attached Separation Agreement by [Deadline Date].

Please return all company property, including [List items like laptop, keys, ID badge], to [Department/Person] by your final day.

We thank you for your contributions to the team and wish you the best in your future endeavors. If you have any questions regarding your compensation or benefits, please contact [HR Contact Name] at [Phone/Email].

Sincerely,

[Signature]  
[Name of Manager/HR Representative]  
[Title]