

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

[Date]

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

Subject: Notice of Early Contract Termination and Severance Agreement

Dear [Employee Name],

This letter serves as formal notification that [Company Name] has decided to terminate your employment contract effective [Termination Date]. This decision is based on performance criteria as outlined in our previous discussions and performance reviews dated [Date of Reviews].

Although your contract was originally scheduled to end on [Original Contract End Date], the company is exercising its right to early termination. In connection with this termination, we are offering you the following severance package:

- **Severance Pay:** A lump sum payment of \$[Amount], equivalent to [Number] weeks/months of pay.
- **Benefits:** Health insurance coverage will continue through [Date], after which you will receive COBRA information.
- **Unused Leave:** Payment for [Number] days of accrued but unused vacation time.

This severance package is contingent upon your signing the enclosed Separation Agreement and General Release, which must be returned by [Deadline Date]. This agreement includes a release of all claims against the company and standard confidentiality and non-disparagement clauses.

Please return all company property, including [List Items: Laptop, Keys, ID Badge], to the HR department by [Date]. Your final paycheck, including earned wages through your last day of work, will be issued on [Date].

If you have any questions regarding your benefits or the terms of this letter, please contact [HR Representative Name] at [Phone Number/Email].

Sincerely,

[Your Name]  
[Your Title]  
[Company Name]