

Termination Tips for the Entertainment Industry

by Ramon E. Rivera on May 10, 2012

Layoffs are common in the entertainment industry, particularly in this economy. Late last month, entertainment magazine show Access Hollywood reportedly terminated 14 employees and its ratings are up five percent from last year.

With this in mind, it is important to know how to terminate an employee without creating any unnecessary legal liability.

- Make sure that the basis for the termination is properly documented. This is the best way to avoid a potential lawsuit and is particularly important when an employee is terminated due to misconduct or poor performance.
- Prepare a list of all company property that should be returned upon termination, including keys, credit cards, software, laptop computer, cell phone, etc., and make arrangements for these items to be surrendered as soon as possible.
- Review the employee's file prior to the meeting to determine if there will be continuing obligations such as a covenant to not compete or a nondisclosure agreement. Provide a copy of the agreement to the employee during the exit interview.
- Prepare a final paycheck and issue it in accordance with your state law. Be sure to document all outstanding vacation, sick time, etc. and the manner in which it will be paid. It is also necessary under COBRA to provide any necessary paperwork regarding the continuation of health insurance.
- Consult with an attorney to decide whether you will offer severance pay and/or require the employee to sign a release of claims.
- Arrange for at least one other member of management to serve as a witness in the meeting.
- Conduct the meeting in a private location, at either the start or end of the workday. This discreteness will help alleviate the employee's potential embarrassment when later retrieving personal belongings from his or her desk/office.
- Be direct, but gentle. Try to avoid letting the conversation become overly emotional or confrontational.
- Once the meeting ends, direct the employee to collect his or her personal belongings and immediately leave the premises. Depending on the circumstances, you may wish to appoint a member of management or security to supervise the process.

Because preventing a lawsuit is easier than fighting one, we always advise our clients to allow consult with an experienced entertainment attorney at the outset of the termination

process. Working together, we can address the unique employment issues faced by the entertainment industry.