

How to Respond to an Employee's Death

Introduction

Responding to the death of an employee requires employers to combine practicality and sensitivity. This guide is relevant for non-work-related employee deaths.

Policy on dealing with an employee's death

It is important that employers ensure employee records are routinely updated so that information on emergency contacts, next of kin and dependants is current for all staff. Employers should also have a policy setting out the procedure to follow in the event of a worker's death, outlining the steps to be taken and who is responsible for tasks such as:

- contacting the family/next of kin to offer condolences and ascertain their wishes regarding how staff and external contacts are informed of the death;
- communicating the news to those closest to the deceased (in the same team or department) and to the wider workforce;
- informing third parties such as customers and suppliers;
- arranging cover; and
- administering payments to dependants.

These matters will usually be handled by HR staff, the deceased employee's line manager or head of department, or a combination of all three.

Contacting the family or next of kin

Regardless of whether the death is work related or not, a representative of the organisation, preferably one who knew the deceased employee, should contact the family or next of kin to pay the organisation's respects. The employer should ensure that this representative is offered advice and support before and after they make contact, either from a counsellor (where the organisation provides an EAP for example) or from a member of the HR staff trained in bereavement issues.

The representative could, if appropriate, ascertain the wishes of the family or next of kin about how the announcement of the death is made to the deceased person's colleagues and other contacts. They could also discuss the family's or next of kin's wishes regarding a gesture from the organisation to honour the deceased (such as a donation to their charity of choice or a book of remembrance) and enquire about the funeral arrangements, should colleagues wish to attend. If the organisation offers access to an EAP, the employee's family can be reminded that this is available to them also.

The employer may also wish to send a letter of condolence to the relatives.

Supporting colleagues

The employer should ensure that colleagues of the deceased employee are informed as promptly as possible and in a way that takes account of the wishes of the deceased employee's family or next of kin. The news should be communicated to those closest to the deceased (for example, those in the same team) first, with the wider workforce being notified later.

In dealing with the practical issues surrounding an employee's death it is important for the employer to remember that colleagues of the deceased may be grieving. The deceased employee's line manager may need support from HR if they are responsible for communicating the news to the deceased employee's colleagues, as it is likely that the death will also have an impact on them personally. The employer should also be aware that as well as feelings of loss, the death may trigger 'survivor guilt' among the deceased employee's colleagues, or thoughts of their own mortality.

The employer should direct employees to appropriate support services. If the organisation offers access to an EAP or has mental health first-aiders, colleagues can be reminded that these services are available and provided with the relevant contact details. If the employer has a policy on bereavement or compassionate leave, it could consider requests for leave under the policy from employees who have been affected by the death of a colleague with whom they had a particularly close relationship.

Informing third parties

The employer should ensure that all current external contacts who dealt with the deceased employee, such as customers and suppliers, are informed about the death as appropriate, particularly in the case of a sudden death.

The way in which the announcement is made should take account of the wishes of the deceased employee's family or next of kin. Clients may want to express their sympathies and the way in which the situation is handled will affect how these customers perceive the organisation.

The employer will also want to reassure them that the employee's death will not affect business and that handover measures are in place. The employer should ensure that other third parties, such as health providers, benefits providers and trade unions, are informed of the death so that their records can be updated. This should prevent the situation where any employment-related post addressed to the worker continues to be sent to the family or next of kin.

Pay and benefits

If the employee was a member of an occupational pension scheme with associated partner's and dependants' pensions, the payment of these pensions should be processed as soon as possible, since the beneficiaries may have had their normal source of financial support removed. Similarly, any life assurance benefit, whether insured or paid from pension funds, should be processed quickly.

A friend, relative or solicitor will be appointed personal representative of the deceased to deal with their financial affairs. Any pay owing should be paid to this representative, minus PAYE income tax using the employee's normal tax code. National insurance contributions (NICs) are not deductible from payments made after an employee has died.

A payment should also be made to the personal representative in respect of accrued holiday that was untaken when the employee died.

The employer should ensure that any letters enclosing payslips or forms that are sent to the worker's family/next of kin are not addressed to the worker.

The employer should complete a full payment submission for HM Revenue and Customs (HMRC), stating the employee's date of death in the "date of leaving" field. If payments are made after notifying HMRC of the date of leaving on a full payment submission, PAYE should be deducted using code OT and details recorded on the payroll record with the "payment after leaving" indicator set.

In addition to updating its payroll and HR systems, the employer should inform promptly all internal departments that keep employee records.

Maintaining continuity

Making allowances for the impact of a death on fellow workers should also affect the handling of work continuity. Though interim cover will have to be arranged as soon as possible, it is advisable to wait one or two months before arranging a permanent replacement. Employees are likely to be distressed if the post is advertised the following week and the best internal candidates might not want to be seen to be stepping into a dead colleague's shoes.