News

The Employment Standards Act and Employment Contracts

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Employers who are party to an employment contract which stipulates an employee is limited to the minimum statutory entitlements upon termination should be sure that those termination provisions are not offside the *Employment Standards Act, 2000* ("ESA"). Otherwise, an employer may find that the provisions are not enforceable and that it is liable for payment of common law notice.

This situation arose in two recent Ontario cases where the Courts found that termination notice provisions in the respective employment contracts did not comply with the ESA. In one case, the notice provision was ESA-compliant at the time of termination, but not into the future. In both cases, the notice provisions did not clearly provide for statutory benefits. As a result, the termination notice provisions in the contracts were found to be void by the Court.

A discussion of these cases, and their implications for employers, is found in our Case in Point blog post "Drafting Termination Provisions in Employment Contracts."