

Case In Point

Federal Court Finds Release Signed upon Termination Not a Bar to Unjust Dismissal Complaint

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The Federal Court recently upheld a decision of an adjudicator made under the *Canada Labour Code* (Code) that an agreement and release signed by an employee whose employment with a bank was terminated did not act as a bar to her unjust dismissal application. The employee had received a lump sum payment and had released her employer from any future actions/proceedings in relation to her employment .

In [Bank of Montreal v. Li](#), the Court found the adjudicator's decision was reasonable. It stated that the policy considerations advanced by the employer did not provide a basis for the Court to depart from its reasons in *National Bank of Canada v. Canada (Minister of Labour)*, which held that parties may not contract out of the Code in respect of Part III of the Code. The Court did emphasize, however that while the release was not a bar to an unjust dismissal complaint, "it may be an important consideration with respect to an appropriate remedy if the dismissal is found to be unjust."

This decision affirms the various decisions following *Wilson v. Atomic Energy* and is an important consideration for federally regulated employers who seek to resolve all issues related to the end of employment.