



## LAWS & ANNOUNCEMENTS

### Minimum Wage

Apr 1: Ontario announced that it's raising its general minimum wage 2.4% for inflation \$17.20 to \$17.60 per hour, effective October 1. That will be the fourth highest minimum wage in Canada behind Yukon, Nunavut and BC.

**Action Point:** Find out about the latest round of [minimum wage increases](#) taking effect across Canada this Spring.

### Leaves of Absence

Jun 19: June 19<sup>th</sup> is when [Ontario's new unpaid long-term illness leave](#) of up to 27 weeks per 52-week period takes effect. Employees must have at least 13 consecutive weeks of employment and get a certificate from a qualified health practitioner stating that they have a serious medical condition and listing the period they won't be working.

**Action Point:** Ontario is just one of the many provinces that have changed their sick and long-term illness leave laws since the pandemic. Find out how to implement a legally sound [Sick Leave Compliance Game Plan](#) at your own workplace along with a [summary of the sick leave rules](#) in each part of Canada.

### New Employees

Jul 1: New [ESA regulations](#) take effect requiring employers with 25 or more employees to give written information to new employees on their first day of work—or as soon thereafter as practicable—listing the company's legal and operating name, contact information, a description of where the employee will work, starting pay, pay period and pay day and expected hours of work.

**Action Point:** Find out more about the new [Ontario ESA written information for new workers rules](#) and how to comply with them.

### Employment Benefits

Apr 17: According to a new FSRA report, defined benefit pension plans in Ontario are financially strong with a median projected solvency ratio as of 122% as of December 31, 2024, up 1% from the previous quarter and 3% year over year. Ninety-one percent of plans were fully funded on a solvency basis and only 2% had a solvency ratio below 85%. Average net investment returns were 1.1% for the quarter and 10.5% for the year.

### New Laws

Apr 16: Taking a page out of Nova Scotia's playbook, the Assembly tabled [Bill 2](#), the [Protect Ontario through Free Trade within Canada Act](#), authorizing the government to enter into reciprocal free trade and labour mobility agreements with other provinces. Under current rules, workers from other jurisdictions must register with and get the approval of an Ontario government authority before working in the province.

## New Laws

Apr 2: Skilled Trades Ontario is now the first point of contact for apprenticeship, certifying exam, and certification services for skilled trades in the province, including registration of apprenticeship training agreements, authorization of sponsors, administration of certifying exams, and issuance of Certificates of Apprenticeship.

## New Laws

Apr 7: Ontario says that it's investing approximately \$11 billion to provide relief to businesses and workers impacted by the Trump tariffs, including \$9 billion via a 6-month deferral of provincial taxes and \$2 billion worth of workers' comp rebates.

**Action Point:** Find out about the [8 ways the U.S. tariffs will affect](#) Canadian workplaces and HR activities.

## Workers' Comp

May 1: The WSIB revised its [policy](#) for calculating the loss of earnings benefit of foreign agricultural workers participating in the federal Seasonal Agricultural Worker Program (SAWP) who can't return to agricultural work in Ontario due to a work injury or illness. From now on, the WSIB will base the benefit on earnings from the worker's home country labour market rather than earnings from suitable and available work in the Ontario labour market.

## CASES

### Termination: Overly Broad Termination Notice Limit Clause Is Unenforceable

One little word invalidated a carefully crafted termination notice limit clause. The employment contract said that the employee would get only ESA notice if terminated for "cause" or "because "you have been guilty of wilful misconduct, disobedience, breach of Employment Agreement or wilful neglect of duty." The problem is that the reasons listed in the phrase after "or" aren't grounds for termination under the ESA. And since it allowed for termination not permitted by the ESA, the entire clause was invalid, the Ontario Court of Appeal concluded [[De Castro v. Arista Homes Limited](#), 2025 ONCA 260 (CanLII), April 3, 2025].

**Action Point:** The *De Castro* ruling is the most recent case in which a court seized upon a seemingly tiny flaw in the drafting to invalidate a termination notice limits clause. Find out why [contract termination notice limits](#) are so hard to enforce.

### Termination: Temporarily Laid Off Employee Gets 7 Months' Notice but Not Wallace Damages

An auto dealer mechanic who was temporarily laid off during the COVID pandemic claimed he was constructively dismissed. The Ontario court agreed and awarded his 7 months' termination notice. The mechanic also wanted \$100,000 in *Wallace* and punitive damages to compensate the mental distress he allegedly suffered because of the bad faith manner in which he was terminated. The court said no. While the dealer botched the ROE and payroll paperwork during the temporary layoff process, the dealer did its best to deal with the unprecedented COVID situation and there was no evidence that the dealer acted in bad faith. And while being laid off was no

doubt stressful, the mechanic didn't present any medical evidence showing that he suffered the kind of mental distress that justifies *Wallace* damages [[Lachapelle v. St. Laurent Automotive Group Inc.](#), 2025 ONSC 1956 (CanLII), March 31, 2025].

**Action Point:** Find out about the [5 ways you can get socked with punitive “Wallace” damages](#) for bad faith termination.

### **Employment Standards: Companies, Director Fined \$86,000 for Disobeying Order to Pay Wages**

The Ontario MOL ordered 2 companies and their common corporate director to pay \$85,000 worth of unpaid wages to 6 employees. But the employees didn't receive a penny from any of the 3. So, the MOL fined the companies \$36,000 and the director \$50,000 for failing to comply with orders to pay wages [[Aemulus Corporation, Jackman Enterprises Inc. and Jackman-El-Haji](#), MOL Press Release, April 11, 2025].

### **Time Theft: Excessive Breaks Are Just Cause to Fire Worker on Last Chance Agreement**

A millwright at a food plant avoided getting fired for safety violations and time theft by signing a last chance agreement requiring him to clean up his act. About a year later, the company terminated him for violating the agreement by taking excessive work breaks, failing to lock out a machine while it was undergoing spot welding work and not washing his hands before entering the food production area of the facility. The Ontario arbitrator concluded that the evidence supported the company's allegations and dismissed the grievance [[Maple Leaf Foods Inc. v United Food and Commercial Workers' Union, Local 175](#), 2025 CanLII 29918 (ON LA), April 8, 2025].

**Action Point:** Find out about the [6 steps](#) you should take to prevent your employees from committing time theft.