



Navigating HR Law Obligations Amidst Rising Trade Tensions

April 16, 2025

© 2025 Williams HR Law LLP. All Rights Reserved.
Materials are not to be reproduced in any medium without prior consent.
The material in this presentation does not constitute legal advice.

MEET THE TEAM



Joel Smith

Partner

Williams HR Law LLP



Oliver Lam

Lawyer & Workplace Investigator

Williams HR Law LLP



AGENDA

- ❖ Current Status of Tariffs
- ❖ Canadian Government Support Measures
- ❖ Other Cost Saving Measures
- ❖ Layoffs
- ❖ Termination of Employment
- ❖ Other HR Considerations of Tariffs
- ❖ Key Takeaways

CURRENT STATUS OF TARIFFS

As of April 15, 2025:

- USA tariffs:
 - 25% on Canadian goods and 10% on energy and potash exports
 - 25% on Canadian steel and aluminum products
 - 25% on Canadian automobiles
- USA has announced a global 10% tariff against many other countries, but paused much greater “reciprocal” tariffs against most countries
- May 3, 2025 – USA intending to apply 25% tariffs on certain Canadian automotive parts

CANADIAN GOVERNMENT SUPPORT MEASURES

Employment Insurance (EI)

- Waiving one week EI waiting period
- Suspending rules around repaying EI
- Unemployment rate will be adjusted in all regions to allow for easier access to EI

CANADIAN GOVERNMENT SUPPORT MEASURES

Work Sharing Program

- Adjustment program designed to help eligible employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity (beyond the employer's control) of 10% or more
 - Three-party agreement involving employers, employees and Service Canada
 - The employer and a core group of employees agree that the employees will work a reduced schedule, and share available work equally
 - EI pays for a portion of the hours the employee agreed NOT to work

CANADIAN GOVERNMENT SUPPORT MEASURES

Work Sharing Program

- Changes in March 2025 allow for:
 - Extended benefits duration
 - Exemption from cooling-off period between successive work sharing agreements
 - Expanded eligibility for employers

CANADIAN GOVERNMENT SUPPORT MEASURES

Tax Breaks

- Federal – deferred corporate income tax and GST/HST remittances
- Ontario – deferred remittances for 10 different provincially administered taxes

OTHER COST SAVING MEASURES

- WSIB
 - Second Injury Enhancement Fund (SIEF)
 - Safe Employer Program
 - Actively Manage Claims
- Assess Long-Term Absences
- Litigation Insurance
- Termination/Layoff

LAYOFFS

- Temporary layoffs allows an employer to stop an employee's work without ending their employment
- Layoff is any week where the employee earns less than half of what they would ordinarily earn in a week

Under the Ontario *ESA*, temporary layoffs can last up to

- 13 weeks in a 20 week period OR
- 35 weeks in a 52 week period in certain circumstances

LAYOFFS

- No automatic right to layoff
- Layoffs require
 - Express term in the employment agreement
 - Condonation or consent by the employee
 - An implied term permitting the layoff
- *Pham v. Qualified Metal Fabricators Ltd., 2023 ONCA 255*

TERMINATION OF EMPLOYMENT

- Employees are entitled to notice of termination or pay in lieu from multiple sources
- Three possible sources of termination entitlements
 - Common law reasonable notice (for non-unionized employers)
 - Statutory termination entitlements under ESA
 - Contractual/collective agreement entitlements

TERMINATION OF EMPLOYMENT

- Under ESA, employees entitlement to notice or pay in lieu
 - Where 50 or more terminations occur in a short period, employers must follow mass termination rules
- Severance pay is required for employers with over \$2.5 million in payroll and an employees with 5+ years of service
 - One week per year of service up to 26 weeks
 - Severance pay is separate from termination pay

TERMINATION OF EMPLOYMENT

- Employment agreements are interpreted differently than regular commercial contracts
- Termination clauses need to be enforceable to limit entitlements to employment standards legislation minimums
 - Recent case law has rendered many termination provisions unenforceable

OTHER HR CONSIDERATIONS OF TARIFFS

- Political Expression
 - May constitute discrimination and/or harassment depending on circumstances
- Human Rights
 - Discrimination on basis of place of origin/nationality prohibited
- Policies
 - Can help limit these risks and manage organizational change

KEY TAKEAWAYS

- Leverage government programs
- Take advantage of other cost-saving measures
- Update contracts and policies
- Manage human rights risks

THANK YOU!

WILLIAMS HR LAW LLP

7800 Kennedy Rd, Suite 102
Markham, ON L3R 2C7
williamshrlaw.com

T: 905-205-0496
F: 905-418-0147
info@williamshrlaw.com



© 2025 Williams HR Law LLP. All Rights Reserved.
Materials are not to be reproduced in any medium without prior
consent.
The material in this presentation does not constitute legal advice