Amendments To The Canada Labour Code: New Measures For Individual Termination Notices



As of February 1, 2024, employees of companies under federal jurisdiction are entitled to more rights when it comes to termination notices. An amendment to the *Canada Labour Code* significantly extends the notice period required by employers for individual terminations.

Extended Notice Period for Individual Terminations

Prior to the amendment of the *Canada Labour Code*, employees were entitled to two weeks' notice once they had worked for the employer without interruption for a minimum of three months, regardless of the length of their continuous employment.

From now on, employers will have to provide a notice period that varies from two to eight weeks, depending on how long the employee has worked without interruption. The more years of continuous employment an employee has, the longer the notice period. Here are the new notice periods in effect:

Continuous Employment	**Termination Notice**[1]
3 months	2 weeks
3 years	3 weeks
4 years	4 weeks
5 years	5 weeks
6 years	6 weeks
7 years	7 weeks
8 years	8 weeks

Employers must choose between giving written notice equal to the number of weeks specified or paying compensation equivalent to the employee's salary for the number of weeks specified. A combination of notice and pay is also possible, as long as the

number of weeks is respected[2].

Note that individual termination notices do not apply to an employee whose termination of employment is by way of dismissal for just cause[3].

In addition to the termination notice or pay, the employee retains the right to severance pay. The law stipulates that the employer must pay an employee who has worked for at least 12 consecutive months a severance pay based on the greater of:

1. Two days' pay for each year of service.
2. Five days pay[4].

This notice period is the minimum required by law. An employment contract or collective agreement may provide for more advantageous notice periods, in which case the employer must respect them. However, these rules do not prevent the employee from claiming more than the reasonable notice provided for in the *Civil Code of Québec*.

Statement of Benefits

From now on, employers will also have to send the employee a statement of benefits that must indicate:

1. Salary
2. Vacation pay
3. Severance pay
4. The benefits to which the employee is entitled on the date of the statement[5]

This statement must be sent to the employee:

1. As soon as possible, but no later than two weeks before the termination date if the employee receives written notice.
2. No later than the termination date if the employee receives pay in lieu of notice.
3. As soon as possible, but no later than two weeks before the termination date, or if the notice period is shorter, when the employee receives both notice and pay.

Measures Employers Should Take

This is a good time for employers to revise policies, employment contracts or collective agreements, where applicable, to comply with the new rules on individual termination.

Footnotes

1 s. 230 (1.1) of the *Canada Labour Code*.

2 s. 230 (1) of the *Canada Labour Code*.

3 s. 229.1 b) of the *Canada Labour Code*.

4 s. 235 of the *Canada Labour Code*.

5 s. 230 (2.2) of the *Canada Labour Code*.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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