Prior Notice of Nonrenewal of Employment Contract was Actually Termination



Executive had fixed term employment contracts with homebuilder employer. The first was a two-year agreement with 12 months severance if not renewed. The second was a one-year contract with no severance if not renewed but severance was provided if the agreement was terminated early. The employer had discretion to terminate at any time with four weeks' notice and 12 months' salary for severance. One month before the end of the second contract, the employer gave the executive notice that his contract wouldn't be renewed and he wouldn't be required to attend work through the remainder of the term. The court found the employer terminated the contract because the executive wasn't allowed to continue working and his duties were taken over by another individual. Thus, there was a constructive dismissal and termination [*Thompson v Cardel Homes Limited Partnership*, [2014] ABCA 242 (CanLII), July 31, 2014].