

# How Trump's Tariffs Will Affect Canadian HR & Workplaces: The Glenn Commandments



Although everybody in Canada is talking about the Trump tariffs, there's something they're overlooking, namely the tariffs' likely ripple effect on Canadian workplaces. We all understand that the tariffs will force Canadian companies to trim their workforce, restructure their operations, and squeeze every last molecule of productivity out of their employees. What companies and especially their HR directors need to start focusing on are the likely legal ramifications these actions will have. Here's a quick briefing on what I believe will be the 8 biggest compliance challenges HR directors in Canada will face as a result of tariffs in the U.S.

## **1. Compliance with Temporary Layoff Laws**

**Problem:** U.S. tariffs will put jobs in peril. But with skilled labour in short supply, companies will also want to hang onto key employees they currently can't afford to retain. This will make temporary layoffs an attractive option. As long as employers meet employment standards requirements for temporary layoffs, they won't have to pay termination notice. This will give them a breather to resolve their short-term financial problems.

**Solution:** Be sure you're prepared [to navigate the strict temporary layoff requirements](#) set out in the employment standards laws of your province and avoid violations that may trigger termination notice obligations and expose your company to risk of employment standards penalties.

## **2. Compliance with Group Termination Laws**

**Problem:** Some companies will have to lay off multiple employees, especially if they shut down a site or discontinue an operation.

**Solution:** Pay close attention to and take necessary steps to [comply with the group termination requirements](#) of your jurisdiction, which typically involves notifying the union and provincial ministry of labour and furnishing extra termination notice to each employee. The stakes are high. While employment standards SNAFUs are never a good thing, the potential costs of group termination violations increase exponentially because they impact so many employees, many of whom are unionized.

### 3. Compliance with Employment Termination Notice Requirements

**Problem:** Terminating individual employees will be no walk in the park either. Decades of court cases have made it clear that lack of available work and difficult economic conditions are generally **not** just cause for termination or frustration of contract. As a result, terminating employees due solely to the economic impact of tariffs will likely be deemed termination without cause, triggering the duty to provide notice or wages in lieu of notice and other payments required under employment standards laws.

**Solution:** Implement [a legally sound game plan for ensuring compliance with the termination notice requirements](#) of your jurisdiction.

### 4. Avoiding Reorganization, Downsizing, & Constructive Dismissal Risks

**Problem:** Tariffs will force companies to make tough decisions about the compensation, benefits, job responsibilities, and other key terms of their current employees. And there's no guarantees that affected employees will accept these changes. The legal risk is that these unhappy employees will leave the company and sue for constructive dismissal, a form of wrongful dismissal that occurs when employers make unilateral, significant, and unfavourable changes that have the effect of repudiating the employment contract and forcing the employee to leave. Liability risk is especially great during challenging economic times when companies need to downsize and restructure.

**Solution:** As an HR director, it will be crucial that [you recognize the potential constructive dismissal pitfalls and the steps you can take to avoid them](#).

### 5. Avoiding Anti-American Bias & National Origin Discrimination

**Problem:** In response to the U.S. tariffs, Ottawa and most provinces and territories have ordered their government agencies to stop procuring goods and services from American companies and buy from Canadian suppliers instead. Your company may be tempted to emulate these practices by deliberately not hiring Americans. The problem is that when employers do it, such behaviour isn't patriotism but illegal discrimination. That's because human rights laws ban employers from basing employment decisions on a job applicant's or employee's nationality or place of origin. That includes requiring employees to have [Canadian citizenship](#).

**Solution:** Given the tenor of the times, it may be advisable to review your current [nondiscrimination policy](#) and add language that specifically addresses anti-American bias in hiring and recruiting.

### 6. Preventing Anti-American Harassment in the Workplace

**Problem:** Trump's tariffs and lack of respect for Canadian sovereignty have understandably fueled resentment toward the U.S. and Americans. This new animus may have a virulent effect on your workplace, especially if you have American employees who become the target of threats or hostile comments based on their nationality. Such behaviour, even if intended as a joke, may create a toxic work environment and lead to national origin discrimination or harassment complaints.

**Solution:** Ensure you have a robust [workplace harassment prevention program](#) in place that includes mechanisms for reporting and [investigating](#) harassment complaints.

## 7. Protecting Employees from Mental Stress & Burnout

**Problem:** The layoffs and restructuring initiated in response to Trump tariffs will, no doubt, increase the levels of stress in the workplace. Adding to the pressure, anxiety, and angst is that companies will likely demand the employees who do keep their jobs to work longer, harder, and more productively for the same or lower pay.

**Solution:** Take proactive measures to prevent [workplace stress](#) and support the mental health of your employees, starting with the implementation of an effective workplace [Mental Health Policy](#) and [Work-Related Stress Policy](#). You should also be aware of the [workers' comp coverage of mental stress claims](#) rules in your province or territory.

## 8. Complying with New U.S. Business Travel Requirements

**Problem:** Trump-related HR hassles for Canadians aren't all the product of tariffs and trade. Effective April 11, 2025, the U.S. will implement a new immigration policy requiring Canadians and other foreign nationals who stay in the U.S. for 30 days or longer to register with the U.S. government. Those that don't comply face the risk of severe penalties, fines, and criminal prosecution. While the rule will affect all Canadians that come to the U.S. for extended visits, it will likely have the biggest impact on business travelers, including executives, consultants, and remote workers.

**Solution:** Recognize that the simplicity, ease and convenience of business travel from Canada to the U.S. that companies have enjoyed for so many decades no longer exists, at least for extended visits, and get used to the new landscape. The immediate challenge is to make sure you're aware of the [new registration rules](#) and [U.S. Citizenship and Immigration Services \(USCIS\) registration process](#).