

Expanding to Ontario, Canada: Key Employment Considerations

For international clients seeking to expand into Canada, the management of Canadian employees can be streamlined and simplified by the establishment of strong, employer-friendly employment agreements. This overview has been prepared to focus on questions relating to employment law in Ontario, Canada, and specifically those questions most commonly asked by our international clients.

Each jurisdiction in Canada, including Ontario, has minimum standards to which employers must adhere. While an employer and employee may agree to benefits in excess of these minimum requirements, they cannot “contract out” of the minimum standards. As set out below, key areas that are the subject matter of employment standards legislation include **(a)** minimum wage; **(b)** hours of work, rest periods and overtime pay; **(c)** vacation time, vacation pay and public holidays; and **(d)** termination of employment.

We are happy to assist with your expansion to Canada. If you have questions with respect to any portion of the below, or if you require further information on a topic that is not addressed, please do not hesitate to contact us.

Category	Question	Answer
Minimum Wage	What is the minimum wage in Ontario, Canada?	The general minimum wage is currently \$17.20 per hour, increasing to \$17.60 per hour on October 1, 2025.
Benefit Coverage	Is benefit coverage for employees mandatory?	No – employers are not legally required to offer private health insurance benefits to employees.
Termination	Do employers need a reason to terminate an employee?	No – terminations can be processed without a reason (except for discriminatory reasons) upon the provision of working notice of termination or pay in lieu of notice.
Notice of Termination	Does “at-will” employment exist in Canada?	No – while Canadian law does not recognize “at-will” employment, a well-drafted employment agreement can mirror “at-will” employment by limiting termination notice entitlements to only statutory notice or pay in lieu of notice, which tend to be relatively modest. Absent such an agreement, employees are entitled to substantial amounts in respect of notice pursuant to the common law. Statutory notice is based on an employee’s length of employment and, broadly speaking, is roughly one week per year of service up to a maximum of eight weeks. There is an additional payment of approximately one week per year of service that is owed on termination to an employee who has five or more years of service and where an employer has a global payroll of at least \$2.5 million or severs the employment of 50 or more employees in a specific time period due to a business closure.
Sick Days	Are employees entitled to paid sick time?	No – employees are entitled to three <i>unpaid</i> sick days annually due to personal illness, injury or medical emergency.

Fiona Brown | Partner | 416.865.3078 | fbrown@airdberlis.com

 <https://www.airdberlis.com/people/bio/fiona-brown>

 www.linkedin.com/in/fionabrownab

AIRD BERLIS

Expanding to Ontario, Canada: Key Employment Considerations

Category	Question	Answer
Rest Periods	Are there mandatory eating periods for employees?	Yes – a 30-minute meal break is required after an employee has worked for five consecutive hours. Meal breaks are unpaid unless otherwise agreed to.
Overtime	Are employees entitled to overtime pay?	Yes – for every hour worked beyond 44 hours, employees must be paid 1.5 times the employee's regular rate of pay. There are several narrow statutory exemptions to overtime pay (i.e., for managerial employees, IT professionals and select salespersons, etc.). Overtime exposure can be managed by the creation of "averaging agreements," which modify how overtime is calculated.
Vacation	Are employees entitled to minimum vacation time and pay?	Yes – for employees with <u>fewer</u> than five years of service, a minimum of two weeks of vacation time is required. For employees with five years or <u>more</u> of service, a minimum of three weeks of vacation time is required.
Public Holidays	Are employees entitled to certain public holidays?	Yes – employees are entitled to nine defined public holidays. Most employees are entitled to take these days off work and be paid statutory public holiday pay. However, an employee may agree to work on a public holiday and receive public holiday pay, plus an enhanced payment required by statute known as premium pay, or may work for their regular wages on the public holiday and receive a substitute holiday for which they receive public holiday pay.



Scan QR code for additional complimentary market expansion resources

Fiona Brown | Partner | 416.865.3078 | fbrown@airdberlis.com



<https://www.airdberlis.com/people/bio/fiona-brown>



www.linkedin.com/in/fionabrownab

AIRD BERLIS