

# IFW NEWSLETTER

April 2025

## WHAT'S NEW AT IFW

- Please extend a warm welcome to our new Associate Amirali Golpira, who joined our team on March 31, 2025.
- Our annual Breakfast Seminar will be on May 8, 2025 from 8:30 am to 10 am. Please RSVP with the subject line "Registration" to [elui@israelfoulon.com](mailto:elui@israelfoulon.com) if you haven't done so already! Please include your name, organization, and email address.



## UPDATE ON GOVERNMENT RESPONSES AMID U.S. TARIFFS

### *Background*

Due to the ongoing uncertainties caused by the tariffs being imposed and threatened by the U.S., many employers are being forced to make difficult decisions about their workforce including the possibility of temporary layoffs, work-sharing arrangements and/or terminations.

As employers are contemplating how to manage its workforce during this period of economic uncertainty, we wanted to provide an update on recent measures that have been introduced by the federal and provincial government to provide additional support to businesses and workers impacted by the U.S. tariffs.

### *Special Measures for Work Sharing Program*

On March 6, 2025, the Government of Canada announced special measures to support businesses experiencing a decline in business activity attributable to the threat or potential realization of tariffs. The special measures are effective from March 7, 2025 to March 6, 2026.

As background, the Work-Sharing Program allows eligible employees to access Employment Insurance ("EI") benefits while working a temporarily reduced work week and sharing available work. The program is intended to help an employer avoid layoffs where there is a temporary decrease in the normal level of business activity beyond their control.

The special measures have expanded the scope of the Work-Sharing Program as follows:

- **Expanding employer eligibility to include:**
  - businesses that have been operating in Canada for at least 1 year;
  - non-profit and charitable organizations;
  - cyclical or seasonable employers;
  - employers experiencing a decrease in work activity of less than 10 percent and those that are planning to reduce their employees' work hours by more than 60 percent;
- **Expanding employee eligibility to include:**
  - employees who are not year-round permanent, full-time or part-time employees, specifically seasonable or cyclical employees;
  - employees assisting the employer's recovery efforts;
- **Additional flexibility including:**
  - Increasing the maximum duration of a Work-Sharing arrangement to up to 76 weeks;
  - Waiving the cooling-off period between successive Work-Sharing agreements.

### *Temporary Measures for Employment Insurance*

On March 22, 2025, the Government of Canada announced that it will be implementing temporary measures amending the EI Regulations.

To support workers, the government has implemented the following temporary measures:

- **For a period of 6 months starting on March 30, 2025**
  - Temporarily waiving the one-week waiting period so that claimants will be able to receive benefits for the first week of unemployment.
  - Allowing claimants to receive EI benefits right away by suspending the rules around treatment of severance, vacation, and other monies upon separation. Effectively, this means that claimants may receive EI benefits without any obligation to account for or to deduct severance, vacation and other amounts paid upon separation from EI benefits that have been received or are payable.
- **For a period of 3 months starting on April 6, 2025**
  - Making it easier to access EI by artificially increasing regional unemployment rate percentages. This temporary measure will reduce the hours required to qualify for regular benefits to no higher than 630 hours and increase the weeks of entitlement by up to four additional weeks of benefits.

Given that the one-week waiting period will be waived temporarily, employers should consider whether there is an opportunity to take advantage of any contractual rights they may have to impose temporary lay offs (please note that if a layoff is imposed without a contractual right or employee agreement, the employee is able to claim constructive dismissal). In the circumstances that an employer implements a short-term layoff (i.e. for a few days or a week), the temporary measures would allow eligible employees to receive benefits for the first week of unemployment.

In addition, with the temporary suspension of the rules around treatment of monies upon separation, employees will be able to simultaneously receive both EI benefits and their severance payments without any repayment obligations. This may be an important point to consider for employers when negotiating severance packages with employees who are terminated between March 30, 2025 and October 11, 2025.

## ***Tax Deferral and Rebate Measures***

On April 7, 2025, the Ontario government has announced various relief measures to support businesses from economic uncertainty and the impact of U.S. tariffs, including those that are specific to the employment relationship or payment of wages.

The relief measures announced include:

- **Six-Month Tax Deferral**
  - Ontario is giving businesses a six-month deferral on certain taxes including the Employer Health Tax, Insurance Premium Tax, Gasoline Tax, Fuel Tax, Mining Tax, Tobacco Tax, International Fuel Tax Agreement, Beer, Wine & Spirits Tax, the Retail Sales Tax on Insurance Contracts and Benefit Plans and the Race Tracks Tax. During this six-month deferral period (from April 1 to October 1, 2025), no interest charges or penalties will be incurred.
  
- **WSIB Surplus Rebate**
  - WSIB is issuing a \$2 billion rebate for eligible businesses who are safe employers. This rebate is in addition to the previous \$2 billion rebate that was distributed in March 2025 to eligible employers.

In the circumstances, we strongly recommend that you contact a member of our team if you are considering any temporary layoffs, work-sharing or terminations because of the U.S. Tariffs. As experienced employment counsel, we can help you navigate these challenges and to mitigate the risks and costs to your business during these uncertain times.

## **LET'S TALK**

Israel Foulon Wong LLP is one of Canada's leading employment and labour law firms. The firm's partners, Peter Israel, Chris Foulon, Carita Wong, Alex Van Kralingen, Krista Kais-Prial, Behzad Hassibi, Katherine Chau, Mark Repath and their associates, Vibhu Gairola, Domenica Moran, and Amirali Golpira have over 125 years of collective experience in assisting clients with employment and labour law issues.

## **CONTACT US**

65 St. Clair Avenue East, Suite 200  
Toronto, ON M4T 2Y8  
p. 416-640-1550  
f. 416-640-1555  
inquiries@israelfoulon.com  
[www.israelfoulon.com](http://www.israelfoulon.com)