

IFW NEWSLETTER

November 2025

WHAT'S NEW AT IFW

We are thrilled to announce that our firm has been recognized as one of Canada's Best Law Firms for 2026 by the Globe and Mail and Statista. See the award list [HERE](#).

This recognition was the result of an extensive, independent survey conducted by Statista in partnership with The Globe and Mail's Report on Business Magazine.

Between April and May 2025, more than 25,000 lawyers and in-house counsel provided peer and client recommendations.

2025 FEDERAL BUDGET

The 2025 federal budget outlined three important investments and proposed legislative changes that could affect employers and workers alike.

Non-Competition Agreements

First, the federal government has expressed an intention to amend the *Canada Labour Code*, limiting or perhaps even totally removing the use of non-competition agreements in employment contracts. This would only affect federally regulated businesses, but in many ways, would align with the Ontario government's choice years ago to prohibit such agreements under Ontario's *Employment Standards Act, 2000* for all employees with some limited exceptions including for executives. In any event, such agreements have long been difficult to enforce pursuant to the common law, and a statutory prohibition for federally regulated employees would align with a more robust labour market.

Worker Misclassification

Second, the federal government has announced a plan to extend a 2024 measure dealing with worker misclassification in the federally regulated space, which the government stated is a particular concern in the interprovincial trucking industry.

Budget 2024 announced that Employment and Social Development Canada ("ESDC") and the Canada Revenue Agency ("CRA") would enter into data-sharing agreements to facilitate inspections and enforcement to address worker misclassification. Budget 2025 extends those efforts, through amendments to the *Income Tax Act* and the *Excise Tax Act* to allow the CRA to share taxpayer and confidential information with ESDC for the purposes of the administration and enforcement of the *Canada Labour Code* as it relates to the classification of workers.

The federal government is supporting these efforts with investments – \$77 million over four years starting in 2026-27, with ongoing funding of \$19.2 million annually to enhance compliance efforts against federally regulated employers who misclassify workers as independent contractors.

Employers should use this announcement as an opportunity to reevaluate whether their workers are truly independent contractors or whether they should be more properly classified as employees.

EI Changes

Budget 2025 suggests changes to the *Employment Insurance Act* permitting claimants receiving EI parental benefits to access an additional eight weeks of benefits in the event of the death of a child.

Ontario's New Job Posting Rules – Coming in January 1, 2026

Ontario's *Employment Standards Act, 2000* ("ESA") has various requirements with respect to job postings that are coming into effect on January 1, 2026. With the holidays approaching soon, employers should consider if and how these changes apply to them, especially if they will be hiring in the new year.

If you are an employer with 25 or more employees, the below changes will apply to you, for any "publicly advertised job posting" – meaning an external job posting that an employer (or someone acting on the employer's behalf) advertises to the public at large. Importantly, these rules do not apply to a job posting for work done outside of Ontario, or an internal job posting, or for a general recruitment campaign that is not advertising for a specific position.

If your proposed job posting is caught by the changes, below are the requirements:

1. Expected Compensation

The posting must include the expected compensation ("wages" pursuant to the ESA), or compensation range. If a range is provided, it cannot exceed the equivalent of \$50,000 per year. An important exemption applies for high-paying positions. Providing a range of expected compensation is not required if it is greater than \$200,000 per year (including the top end of a \$50,000 annual range).

2. Disclosures re: Process & Vacancy

The job posting must disclose if: (i) Artificial intelligence is being used to screen, assess or select applicants; and (2) if the posting is for an existing vacancy, or whether the employer is collecting applicants for a potential future vacancy.

3. Duty to Inform Candidates

An employer is now obliged to inform a candidate within 45 days of their last interview if a hiring decision has been made. This can be done in many ways, including an electronic mode of communication, like email. An "interview" means a meeting, after an application to a public job posting, where questions are asked, and answers are given to assess the applicant's suitability for the position.

4. *Ban on Canadian Experience Requirement*

Although an employer is permitted to ask if the applicant can legally work in Ontario, and has appropriate credentials to work for the posted position in Ontario, employers are no longer permitted to request “Canadian experience” on a publicly advertised job posting.

5. *Records*

Employers must retain copies of every publicly advertised job posting, and associated application, for three years after public access to the posting is removed.

The above changes are important and will require all employers who use public job postings to change their processes to account for the above. It is suggested that each company ensure that all job postings are funneled through a single department or responsible person to ensure compliance with these new statutory obligations.

LET’S TALK

Israel Foulon Wong LLP is one of Canada’s leading employment and labour law firms. We have been helping employers, from startups to national and multinational brands, navigate these drafting and implementation challenges in real time. Our partners, Peter Israel, Chris Foulon, Carita Wong, Alex Van Kralingen, Krista Kais-Prial, Behzad Hassibi, Katherine Chau, Mark Repath and associates, Vibhu Gairola, Domenica Moran, and Amirali Golpira have over 125 years of collective experience in assisting clients with employment and labour law issues.

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