

**Ontario Government
Extends Temporary Layoff Exemption to September 25, 2021**

June 7, 2021

On May 29, 2020, the Government of Ontario introduced a [regulation](#) under the *Employment Standards Act, 2000* (“ESA”) that provided relief to any employer that had temporarily laid off or reduced the wages and/or hours of a non-union employee due to COVID-19. The regulation largely exempts any such layoff or reduction from being deemed a termination of employment, such that there is no obligation to provide ESA notice or severance pay. The employee is deemed to be on an **Infectious Disease Emergency Leave (“IDEL”)**.

If this regulation had not been passed, any such layoff or wage/hour reduction would have crystallized into a termination of employment, triggering ESA notice of termination and severance pay obligations.

Initially, the regulation applied to a temporary layoff or reduction in wages and/or hours between March 1, 2020 and September 4, 2020 (the “COVID-19 Period”). The COVID-19 Period was then extended to January 2, 2021, then to July 3, 2021 and now [again to September 25, 2021](#). **The net result is that an employee who has been laid off or had their wages and/or hours reduced for COVID-19 related reasons can continue to be on an IDEL until September 25, 2021, without triggering termination and severance pay obligations under the ESA¹.**

However, as discussed in a recent [briefing note](#), this regulation does not affect an employee’s right to pursue a common law claim for constructive dismissal based on a temporary layoff or reduction of hours related to COVID-19.

To learn more and for assistance, contact your Sherrard Kuzz lawyer or any member of our team at info@sherrardkuzz.com. We’ll respond promptly.

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¹ Unless the employee is laid off due to a permanent discontinuance of business, in which case the employee is entitled to severance pay under the ESA.