Cassels

The Ontario Working for Workers Act, 2021 Has Become Law and Impacts Franchisors and Franchisees as Employers

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On December 2, 2021, the *Working for Workers Act, 2021* (Bill 27) (the Act) received royal assent and became law in Ontario. The Act provides for a number of changes to Ontario employment statutes, including many that impact franchisors and franchisees in the province.

These changes include:

- The requirement for employers to implement a “disconnect from work” policy;
- A prohibition on non-competition provisions in employment contracts, with the exception of “executive” employment contracts and certain agreements in respect of the sale of a business;
- A licensing regime for recruiters and temporary help agencies; and
- The requirement for business owners to permit washroom access for delivery workers.

Franchisors and franchisees are employers of a significant number of Ontarians and should therefore ensure their workplaces are operating in compliance with the new laws. In particular, the washroom access requirement will be an important consideration for the restaurant industry. Additionally, the prohibition on non-competition provisions in employment contracts is a development worth monitoring in respect of the franchise industry, where non-competition provisions are often included in franchise agreements as well as employment contracts to protect franchise system commercial interests.

A summary of the changes imposed by the Act can be found here.

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