



CANADA · SEVERANCE MATH

WORKSHEET · CANADIAN SEVERANCE

The Canadian severance pay worksheet.

Province-by-province formulas. Common-law multipliers. Notice versus pay-in-lieu math. An actual worksheet, not a sales sheet.

Built for Canadian HR leads handling involuntary separations.

5 WORKED EXAMPLES | ESA + COMMON LAW | POST-WAKSDALE

Two tracks. They stack. Most employers count only one.

Canadian severance runs on two parallel tracks. Statutory minimums under provincial Employment Standards legislation set the floor. Common-law reasonable notice (the Bardal factors) almost always exceeds it, often dramatically. An employee with 10 years of service might be owed 3 to 4 weeks under the ESA but 10 to 14 months under common law.

That gap between what employers think they owe and what they actually owe is where wrongful-dismissal lawsuits live. Use this worksheet to triangulate both numbers before you cut a cheque. Each row has a **Calculate this** line that tells you what to pull and how to apply it.

The 4 sections

- **1. Statutory minimums by province (6).** The ESA floor across Ontario, BC, Alberta, Quebec, Federal, and the Maritimes. Ontario stacks termination pay and severance pay; nowhere else does.
- **2. Common-law reasonable notice (5).** The Bardal factors, the 1-month-per-year rough rule, recent 26-to-30-month outlier awards, when to apply each.
- **3. Worked examples (5).** Five scenarios with the math: 5-year mid-career, 20-year senior, federal regulated, Ontario qualifying for both termination and severance, constructive dismissal.
- **4. Reducing exposure before termination (4).** Post-Waksdale contract review, enforceable termination clauses, working notice vs. pay in lieu.



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WORKING WITH HR AND PAYROLL TEAMS ACROSS CANADA

This worksheet was built from 25 years of Workzoom (formerly Nortek) configuration conversations with Canadian HR teams. Every rule, ESA citation, and case reference (Bardal, Waksdale, Currie, Lynch, Potter) was cross-referenced against current provincial legislation and recent Ontario Superior Court decisions as of May 2026.

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01 Statutory minimums by province

6 ITEMS

JURISDICTION	TERMINATION PAY	SEPARATE SEVERANCE?	FLOOR
Ontario	1 wk/yr, cap 8 wks	Yes (1 wk/yr, cap 26 wks)	Stack both if 5+ yrs at \$2.5M+ payroll
BC	1 wk @ 3 mo to 8 wks @ 8+ yrs	No	ESA cap 8 wks
Alberta	1 wk @ 90 d to 8 wks @ 10+ yrs	No	ESC cap 8 wks
Quebec	1 wk @ 3 mo to 8 wks @ 10+ yrs	No	Reasonable notice rule, cap 8 wks
Federal	2 wks notice or pay-in-lieu	Yes (2 days/yr after 12 mo)	Stacks notice + severance
NS / NB / NL / PEI	Similar to ESA scale	No	Cap ~8 wks long-service

S 1

Identify the employee's province of employment and pull the current termination-pay schedule from that province's Employment Standards legislation.

Calculate this: Years of service × weekly rate. Cap at the provincial maximum (8 weeks in most provinces). Use the rate as of the last day worked, not the rate when hired.

S 2

For Ontario employees, confirm whether the employer's payroll exceeds \$2.5M and the employee has 5+ years of service. If yes, severance pay STACKS on top of termination pay.

Calculate this: Termination pay (1 wk/yr capped at 8 wks) + severance pay (1 wk/yr capped at 26 wks). A 15-year qualifying employee = 8 + 15 = 23 weeks under statute alone.

S 3

For federally regulated employees (banks, telecoms, airlines, interprovincial transport), apply Canada Labour Code: 2 weeks notice/pay-in-lieu PLUS 2 days per year of service after 12 consecutive months.

Calculate this: A 10-year federally regulated employee earns 20 days' severance (2 days × 10 yrs) + 2 weeks' termination pay. That is the federal statutory floor, not the common-law number.

S 4

Confirm vacation pay accrued but not taken is owed on termination, separate from severance.

Calculate this: Unused vacation days × daily rate, paid out on the final pay run. This is a payroll calculation, not a severance one. Track them separately or the severance number compounds with vacation owed.

S 5

Determine whether the employee qualifies for group termination provisions (50+ employees terminated within 6 months or a permanent closure).

Calculate this: Group termination often triggers extended notice (8 to 16 weeks depending on group size and province). Pull the specific group-termination clause in the local ESA before issuing notices.

For multi-jurisdiction employees (one who lived in Quebec but worked in Ontario, or split-province workers), determine the province of employment per the contract and primary work location.

Calculate this: Province of employment, not province of residence, drives the ESA. If unclear, default to the higher-floor province (typically Ontario) and let counsel re-scope.

The Bardal factors (from *Bardal v. Globe & Mail Ltd.*, 1960) drive every common-law reasonable-notice award. The four factors:

- **Length of service.** Longer service equals more notice. Rough rule: 1 month per year, but courts have exceeded that for older long-tenure employees.
- **Age of the employee.** Older employees get more notice because re-employment is harder.
- **Character of employment.** Senior roles and specialized responsibilities get more notice.
- **Availability of similar employment.** Niche roles or weak job markets get more notice.

The informal ceiling was 24 months for decades. Recent cases broke it: *Currie v. Nylene Canada Inc.* (2022) awarded 26 months to a 58-year-old with 38 years' service. *Lynch v. Avaya Canada Corporation* (2023) awarded 30 months. These are no longer outliers.

S 7

Start with 1 month per year of service as the common-law baseline. Adjust up for age (50+), seniority (manager/director/executive), specialization (niche role), and local job-market weakness.

Calculate this: A 35-year-old IC with 5 years' service in Toronto = roughly 4 to 6 months. A 60-year-old VP with 18 years' service in a niche industry = 18 to 24 months. Wide ranges are honest; precise numbers come from counsel.

S 8

Pull the employment contract and check whether it contains a termination clause. If yes, determine whether it has been reviewed against *Waksdale v. Swegon* (2020).

Calculate this: Post-*Waksdale*, if ANY part of the termination provisions violates the ESA (often the "for cause" clause), the ENTIRE termination clause is void. The employee is entitled to full common-law notice. Assume the contract is unenforceable if it has not been reviewed by an employment lawyer post-2020.

S 9

Add the full compensation package, not just base salary, to the common-law notice calculation. Benefits, bonus entitlements (if they would have been earned in the notice period), car allowances, stock options, pension contributions.

Calculate this: Courts regularly add 5 to 15% to base salary for benefit loss alone. A \$130,000 base + benefits = a \$145,000-to-\$150,000 annualized "compensation" number for severance purposes.

S 10

If the termination is a constructive dismissal (material unilateral change forcing resignation: pay cut 10%+, demotion, forced relocation, toxic environment), apply the full common-law notice calculation. Statutory minimums also apply.

Calculate this: Constructive dismissal triggers the same obligations as termination without cause (*Potter v. New Brunswick Legal Aid Services Commission*, 2015). Do NOT treat it as a resignation that ends obligations.

Decide between working notice (the employee keeps working through the notice period) and pay in lieu (lump-sum payout, employment ends immediately).

Calculate this: Working notice reduces cash outlay if the employee genuinely keeps doing their actual job. Stripping duties or marginalizing the employee can invalidate the working notice and leave you on the hook for the full amount.

EX 1

Mid-career Ontario IC. 5 years' service, age 35, \$75,000 base + benefits, employment contract has no enforceable termination clause.

Statutory: 5 weeks termination pay (1 wk/yr capped at 8). No separate severance (employee under 5 yrs threshold). Total ESA = 5 weeks = ~\$7,200.

Common law: 4 to 6 months. Total common law = ~\$25,000 to \$40,000 with benefits. Gap = \$18,000 to \$33,000.

EX 2

Long-tenure Ontario director. 20 years' service, age 55, \$130,000 base + benefits, employer payroll over \$2.5M, contract pre-Waksdale.

Statutory: 8 weeks termination pay + 20 weeks severance pay = 28 weeks = ~\$70,000. **Common law:** 18 to 22 months notice. Total common law =

~\$200,000 to \$250,000 with benefits. Gap = \$130,000 to \$180,000.

EX 3

Federally regulated bank employee. 10 years' service, age 45, \$90,000 base + benefits.

Statutory: 2 weeks notice + 20 days (2 days × 10 yrs) severance = ~4 weeks total = ~\$7,500. **Common law:** 10 to 14 months notice. Total = ~\$80,000 to \$110,000 with benefits. Federal floor is meaningfully lower than ESA, so the common-law gap is wider.

EX 4

BC mid-tenure employee. 8 years' service, age 42, \$85,000 base + benefits, contract has enforceable termination clause limiting to ESA minimums.

Statutory: 8 weeks termination pay (BC cap) = ~\$13,000. **Common law:** Not applicable IF the termination clause holds. Pre-payout: confirm the clause has been reviewed by a BC employment lawyer in the last 24 months. If yes, the ESA number is the obligation. If no, default to common-law (~8 to 10 months = \$70,000 to \$90,000) to be safe.

EX 5

Constructive dismissal. Ontario manager. Demoted from director to coordinator without consent, 30% pay reduction. 12 years' service, age 50.

Statutory: Constructive dismissal triggers full ESA: 8 weeks termination pay + 12 weeks severance pay (if at \$2.5M+ payroll) = 20 weeks. **Common law:** 14 to 18 months. The "we did not fire her" defense fails (Potter, 2015). Total exposure = \$150,000 to \$200,000.

R 1

Have every active employment contract reviewed by an employment lawyer for Waksdale compliance.

Do this: Pull every active contract dated before 2021 (and many post-2021 templates drafted by lawyers who did not catch the case). Defective "for cause" clauses void the entire termination provision. Rebuild templates with fresh consideration.

R 2

Update employment contracts at every material change: promotion, salary increase, transfer to a new province. Each change is a fresh-consideration opportunity to install or update a termination clause.

Do this: Without fresh consideration (signing bonus, raise, new role), a new termination clause is unenforceable. Tie clause refreshes to comp reviews so the consideration is built in.

R 3

Document performance issues in writing the day they happen, not the week before termination. "For cause" termination requires a paper trail.

Do this: Performance reviews, written warnings, improvement plans with clear timelines, signed acknowledgments. Without documentation, "for cause" becomes "for lawsuit" and you owe the full common-law number plus damages.

R 4

Apply progressive discipline consistently across the workforce. Selective enforcement is its own legal exposure.

Do this: If you discipline one employee for tardiness and ignore the same conduct in three others, the disciplined employee has a defense. Run a consistent policy or do not invoke it at termination.

Where every formula and case in this worksheet came from.

Primary sources:

- **Ontario Employment Standards Act, 2000.** termination pay (Part XV §54-58) and severance pay (Part XV §63-66). Ontario.ca.
- **Canada Labour Code.** Part III §230-235 (federal jurisdiction termination and severance).
- **British Columbia Employment Standards Act.** Part 8 termination of employment.
- **Alberta Employment Standards Code.** Part 2 Division 8 termination notice.
- **Quebec Act respecting labour standards.** reasonable-notice provisions.

Common-law case law:

- **Bardal v. Globe & Mail Ltd. (1960).** the four-factor test for reasonable notice. Foundational.
- **Waksdale v. Swegon North America Inc. (2020 ONCA 391).** defective "for cause" clauses void the entire termination provision.
- **Potter v. New Brunswick Legal Aid Services Commission (2015 SCC 10).** constructive dismissal triggers full common-law obligations.
- **Currie v. Nylene Canada Inc. (2022 ONSC 1929).** 26 months awarded to a 58-year-old with 38 years' service.
- **Lynch v. Avaya Canada Corporation (2023 ONSC 1259).** 30 months awarded.

Workzoom's role. Workzoom tracks tenure, compensation history, and employment records so the severance calculation has clean inputs the day a termination decision is made. Pricing starts at \$4 per employee per month per suite, no setup fees, month-to-month. Reference customers across Canada include County of Renfrew (900 employees), Ktunaxa Nation Council (200), Northern Sunrise County (90 to 140 seasonal), and Silvera for Seniors (400 across 36 Calgary buildings).

This document is operational guidance, not legal advice. The dollar ranges in the worked examples are illustrative. Confirm specific severance obligations with a Canadian employment lawyer before issuing any termination letter.

CLOSING · HOW WORKZOOM HANDLES TERMINATION MATH

Clean inputs the day the termination call gets made.

Workzoom tracks tenure, compensation history, and employment records across the entire workforce. When a termination decision happens, the data the lawyer needs is one report away, not a three-day scramble across spreadsheets.

ONE EMPLOYEE RECORD | \$4 / EMPLOYEE / MONTH | MONTH-TO-MONTH

NEXT STEP

Book a 30-minute walkthrough on production data.

We will pull a sample termination scenario from County of Renfrew or Silvera for Seniors and walk the full data flow: tenure, comp history, vacation accrual, severance calculation. Bring this worksheet; we will answer every line on the spot.

[workzoom.com / get-started](https://workzoom.com/get-started)