



Ontario May Ban Non-Compete Agreements: What Does This Mean for You?

Description

Ontario could be the first province in Canada (and one of the first places in North America) to ban the most contentious trend in modern labour: non-compete agreements.

Non-competes are basically employment protocols that ban workers from jumping ship. When employees sign the non-compete, they agree they won't take a job at a competitor, unless they want to face legal action from their former employer.

On the surface, they exist to protect a company's "secrets" from spreading to competitors. In practice, however, non-competes rarely have such a function.

How non-competes hurt employees

More often than not, non-competes limit employee's opportunities, keep wages artificially low, and remove the only leverage Canadian workers have: the ability to look for work elsewhere.

When you sign a non-compete, you're basically locking your salary with your employer. This is extremely disadvantageous to you. For one, you can't use a job opportunity as leverage to get a raise from your current employer, since doing so would imply breaking the non-compete. Secondly, you can't make a lateral shift, taking the same job with another employer for higher pay, unless you're okay facing potential legal action.

To get out from under the restrictions of non-competes, Canadian workers would have to develop a new skill set, change careers, or move to a different province, all of which make staying at their current employer far more likely.

Most people think non-competes limit only those with high-salary jobs or highly specialized skills, but that's not true. Anyone from a fast-food cashier to a café barista could sign a non-compete, which makes life for low-income Ontario residents far more cumbersome.

How banning non-competes helps Ontario

If the bill is passed, the government would prohibit employers from using non-competes. Employees won't have to worry about legal action should they take a higher-paying job with a competitor. They also won't have to worry about moving to another city, and they definitely don't have to worry about staying in the same position for a certain number of years.

Banning non-competes can also help Ontario's labour market. Canada has long been trying to reverse its "brain drain" (let's not forget: Ontario *did* lose Elon Musk). Given that much of North America, including all of Canada, uses non-competes, Ontario could attract more workers.

Banning non-competes aren't the only changes coming

In addition to banning non-competes, the bill also gives employees the right to "disconnect" from work. For those who work from home, this is big news. Basically, the bill will ask employers to respect your space outside of working hours. That means, you won't be required to check emails, Slack message, video calls, text messages, or any other form of work communications.

The bill, currently called *Working for Workers' Act, 2021*, hasn't been passed yet. But given the immense support behind it, employers would do well to start preparing for these changes.

CATEGORY

1. Personal Finance

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

PP NOTIFY USER

1. kduncombe
2. sporrello

Category

1. Personal Finance

Date

2025/07/01

Date Created

2021/11/01

Author
sporrello

default watermark

default watermark