

Hidden Value of Benefits and Bonuses in Termination Package - Explained by Wrongful Dismissal Lawyer Toronto

Often, the salary indicated on the termination letter is the base salary. We see that many employees do not question the amount provided. However, the question is, will that amount cost you far more than you expected? A fair termination package in Toronto involves many other factors besides the salary. The bonuses that an employer provides can have a monetary value. You deserve to understand what belongs to you before you sign anything.



At Monkhouse Law, we assist employees in looking beyond the surface level. We take the time to review the entire compensation package and ensure that we protect your future. If your employer can speak freely while you stay silent, you lose power. We often guide clients to request:

Bonus Payments Often Add to Your Real Salary

Bonuses are often viewed by many employers as voluntary. However, the courts have a different opinion. If your bonus has been consistent in the past and your employer has been using them as performance incentives, the law states that the courts must apply the

“integral” test. As long as your bonuses have been consistent and a regular part of your pay, the law will grant them to you during your notice period.

Employers sometimes use clauses like “active employment” to prevent bonus payments. Courts assess such clauses extensively. It is wise to get advice from a [Wrongful Dismissal Lawyer Toronto](#) to find out if the employer used the correct language on the contract template.

Benefits: Protect More Than Your Health

Health and dental benefits end after termination. However, during the post-notice period, employers have a legal responsibility to continue all benefits. Under common law, longer notice periods are standard. Our employment lawyer often helps clients negotiate extended benefits or secure cash payments to replace lost coverage.

Disability cover has the highest level of risk. If coverage ends and you later face illness during the notice period, the employer may face full liability for lost disability income.

Retirement Contributions Add Up Fast

Pension and RRSP matching contributions represent yet another loss that remains hidden. In this instance, employers are obliged to continue making pension and RRSP matching contributions throughout the notice period. Even a few months of missed matching can reduce long-term savings. Over time, that loss grows due to compound interest. We encourage clients to calculate this value carefully before accepting any offer.

Equity Compensation: A Major Value Driver

Stock options and RSUs are “hidden” assets which can sometimes represent a large unaddressed issue for many employees. Employees frequently lose unvested equity when an employment contract terminates. In many cases, Ontario law often supports compensation for equity that would have vested during the notice period. A qualified Wrongful Dismissal Lawyer Toronto can explain this calculation.

Commissions and Allowances Count Too

Employees working solely on commission often are offered low figures based solely on their base pay. Courts often determine these figures according to historical averages. Car allowances, telephone stipends, and perks also carry taxable value and add to your severance package.

The following should be reviewed:

- Average commissions from recent years.
- Allowances listed on your T4.
- Employer-paid perks you relied on.

Key Takeaway

Termination packages may not accurately represent the value of the total compensation. At Monkhouse Law, we examine severance packages with care and precision. A skilled Employment Lawyer will recognise any gaps quickly.

Prior to signing, it is essential to understand the whole situation. Your termination contract should represent all you have earned and not just the agreement's first page.

For More Information

Address: 220 Bay St. Suite 900, Toronto, ON M5J 2W4, Canada

Phone: 416-907-9249

Website: <https://www.monkouselaw.com/>