



Case in Brief: ***Matthews v. Ocean Nutrition Canada Ltd.***

Judgment of October 9, 2020 | On appeal from the Court of Appeal of Nova Scotia
Neutral citation: 2020 SCC 26

An employee forced by their employer to quit should get a bonus they would have received during the notice period, unless their contract says otherwise, the Supreme Court has ruled.

Mr. Matthews was a chemist. He worked for Ocean Nutrition. He helped make the company successful in making omega-3 products. His job was important to him.

In 2007, Ocean Nutrition hired a new Chief Operating Officer. The Chief Operating Officer and Mr. Matthews did not get along. He took responsibilities and team members away from Mr. Matthews. This left Mr. Matthews with much less to do. The Chief Operating Officer also lied to him. This upset Mr. Matthews. In 2010, Ocean Nutrition put Mr. Matthews under review. This meant he might lose his job. The Chief Operating Officer told the Board of Directors that there was no place for Mr. Matthews at the company. This upset Mr. Matthews even more.

Mr. Matthews suspected that Ocean Nutrition was going to be sold. As part of his contract, Mr. Matthews would get a large bonus payment if this happened. This was part of the reason he stayed with the company for so long, even after the problems started. But eventually he found himself in an impossible situation, so he quit.

Just over a year later, Ocean Nutrition was sold for over half a billion dollars. Because Mr. Matthews didn't work there anymore, the company said it didn't owe him the bonus payment. Mr. Matthews said he would have still been working there if Ocean Nutrition didn't "constructively dismiss" him. "Constructive dismissal" is when an employer forces an employee out by making things so bad that they quit, instead of firing them. Mr. Matthews said the company owed him the bonus payment.

The trial judge said that Mr. Matthews was constructively dismissed. He said Mr. Matthews should get 15 months of "reasonable notice." The law says someone who is dismissed ("constructively" or not) should get "reasonable notice" of the dismissal. "Notice" is a specific amount of time the employee gets between the date when the employer tells them the contract will end and when it ends. Sometimes the employee will keep working during the notice period. But sometimes the employer just pays them what they would have been paid if they had worked the time. Either way, they still count as an "employee" during the notice period. The trial judge said Mr. Matthews would have received the bonus payment if he was still working at Ocean Nutrition. He said Mr. Matthews should still get it since Ocean Nutrition was sold during the reasonable notice period. The bonus was about \$1 million.

The majority at the Court of Appeal agreed that Mr. Matthews was constructively dismissed. It agreed that the notice period should be 15 months. But it said he didn't have a right to the bonus after he left the company.

By the time the case got to the Supreme Court of Canada, everyone agreed that Mr. Matthews was forced to quit. Everyone agreed that he should have received 15 months' notice. They disagreed on whether he should get the bonus payment as part of his reasonable notice. They also disagreed on whether Ocean Nutrition lied to him, and whether this meant he should get the bonus.

All the judges at the Supreme Court of Canada agreed that Mr. Matthews should get the bonus payment. They said that the reasonable notice period should be 15 months, like the trial judge said. They said Mr. Matthews should get compensation because he didn't get notice. The Court said the compensation should include the bonus payment. This was because the company was sold, and the bonus payment triggered, during the notice period. There was nothing in Mr. Matthews' contract that said he shouldn't get it in this situation.

The Court also noted that Ocean Nutrition wasn't honest with Mr. Matthews about his future with the company. This was separate from constructively dismissing him without notice. Mr. Matthews didn't get extra compensation for this, though. This was because he only asked for the bonus, which he already got as part of reasonable notice.

The Court dealt with whether people might be employees in [*Uber v. Heller*](#) and [*Modern Cleaning Concept Inc. v. Comité paritaire*](#). It dealt with equal pay in employment in [*Quebec \(Attorney General\) v. Alliance du personnel*](#)

[professionnel et technique de la santé et des services sociaux](#) and [Centrale des syndicats du Québec v. Quebec \(Attorney General\)](#).

Breakdown of the decision: *Unanimous*: Justice Nicholas [Kasirer](#) allowed the appeal (Chief Justice [Wagner](#) and Justices [Moldaver](#), [Côté](#), [Brown](#), [Rowe](#), and [Martin](#) agreed)

More information (case # 38252): [Decision](#) | [Case information](#) | [Webcast of hearing](#)

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