



## **Sledgehammers and Nuts – Minor Disputes and Arbitration**

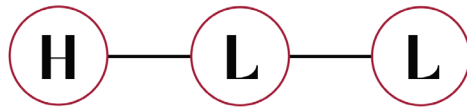
- ***Sysco Central Ontario Inc. v Teamsters Local Union No. 419*, [2024 CanLII 8906 \(ON LA\)](#)**

The default for resolving disputes between unionized employees and their employers is labour arbitration. At times, a labour arbitration may seem like using a sledgehammer to crack a nut. This is such a case. Unfortunately, labour arbitrators have no ability to compensate a party when they are forced to arbitrate a minor dispute unless the collective agreement expressly gives them that tool.

In this case, the Company engaged in a fundraising campaign on behalf of the family of a deceased employee, collecting donations via payroll deposit. Having recycled an old payroll deduction form from a past charitable campaign, the form erroneously indicated that the funds raised would go to an agency called “We Care” and that a tax receipt would be issued. The money did not go to We Care, and no tax receipt was issued.

The Grievor elected to make a \$500 donation to the deceased employee’s family. When the Grievor found out that he would not be issued a tax receipt, he asked for the return of his donation. The Company however, had already delivered all donations to the family and was not going to request return of the Grievor’s donation. The Company apologized to the Grievor for the error and offered to pay the Grievor the tax “loss” of \$117.00. The Grievor refused, insisting on the return of the full \$500 donation. The Company refused to pay \$500 to the Grievor and the matter proceeded to arbitration.

At arbitration, Arbitrator Goodfellow queried why the Union viewed the Company’s offer as insufficient to remedy the “alleged” harm, noting it was uncontroverted that the Grievor had expressed in an email his intention to direct a donation to the family. The Union argued that the payroll deduction did not meet the requirements of the *Employment Standards Act, 2000* (the “ESA”) – that the Company could not deduct wages without an authorization meeting the requirements of the *ESA*. The Company argued, among other things, that the arbitrator did not have jurisdiction given that the matter of making donations was not governed by the collective agreement. However, if jurisdiction was found, the Company argued that the only remedy that could



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be awarded was a declaration, or *at most*, an order to pay the tax loss. The Company also argued that regardless of the outcome, the Union should bear the full costs of the arbitrator's fees for advancing a frivolous and vexatious grievance to arbitration.

Arbitrator Goodfellow found that he had jurisdiction. He held that the Company was not entitled under the collective agreement or the *ESA* to deduct an employee's wages in the absence of specific authorization to do so. In this case, the authorization to deduct wages was subject to an expectation that a tax receipt would be issued. In the absence of a tax receipt, the authorization was invalid.

As to remedy, Arbitrator Goodfellow held that it was not limited to a declaration – the Grievor was entitled to compensation amounting to the loss occasioned by the misrepresentation/unauthorized deduction. He concluded, however, that the amount of the loss was not \$500, but rather, the \$117.00 tax loss. To conclude otherwise, he found, would unjustly enrich the Grievor and “punish the Company for what was clearly an innocent error”.

Arbitrator Goodfellow expressed that it was unfortunate that the Union rejected the Company's offer to correct the Grievor's tax loss – an offer he endorsed – and ultimately ordered. Nevertheless, for lack of jurisdiction, he declined to order that the Union pay his full costs.

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