

Common Statutory Liabilities for Directors in Ontario

While a corporation, as a legal entity, will generally protect a director from liability, there are a number of Federal and Provincial statutes that provide the directors can be personally liable. Some of those liabilities include:

Relating to Employees:

- Income tax withheld at source from employee wages which the corporation fails to remit
- Up to six months' wages and twelve months accrued vacation pay with the corporation fails to pay;
- Employee and employer contributions to CPP that the corporation neglects to remit;
- Employment insurance remittances that the corporation fails to make
- Ontario Health Premiums which the corporation fails to collect from employees and remit

Relating to taxes:

- GST which the corporation fails to remit

Potential criminal and quasi-criminal penalties:

- Failure to take all reasonable care to prevent the corporation from causing an unlawful discharge of pollutants; and
- Failure to take all reasonable care to ensure a safe workplace