

COMPANY HOLIDAY PARTIES  
Festivity or Liability?

**Damien M. E. Buntsma**



Happy Co. hosts its company holiday party for 200 staff and management at its head office, during work hours. Alcohol is served, but no one monitors consumption. Ted Garland consumes eight alcoholic beverages at the event and stops at the local pub on his way

home for a few more drinks. While driving home from the pub, Ted loses control of his car, rolls into a ditch, and sustains catastrophic injuries that leave him a quadriplegic.

While holiday parties are a great way to thank employees for their efforts over the past year, allow them to socialize, and boost morale for the year ahead, such parties are legal minefields for employers, particularly when alcohol is consumed. In the example above, Ted initiates a legal claim for damages against Happy Co., arguing that its negligence resulted in his catastrophic injuries. The Court awards \$2.7 million in damages and finds Happy Co. 75% responsible. The illustration provided herein is based on what is considered to be one of the leading cases on employer-host liability. In its reasons, the Court finds that even though Ted voluntarily consumed enough alcohol to become intoxicated, Happy Co. failed to provide a safe workplace, by introducing alcohol into the workplace.

Due to the substantial risks involved, we strongly recommend that employers prohibit the consumption of alcohol at company-hosted or sponsored events. Since many employers will continue to supply alcohol at such events, we recommend the following actions.

**Before the Party**

1. Have comprehensive policies on the consumption of alcohol at the workplace and during company events.
2. Provide information sessions and training on these policies for all staff.
3. Inform all attendees that overconsumption of alcohol, or drinking and driving at any company event or event attended on behalf of the company, are strictly prohibited. Failure to comply will result in discipline, up to and including termination of employment for cause.
4. Inform all managers that consumption of alcohol

must be in moderation when entertaining employees, guests and clients.

5. Forbid the consumption of alcohol at any company event without authorization.
6. Hire trained/certified servers and staff to run the event, or have it take place at a licenced establishment away from the workplace.

**At the Party**

1. Structure the event to limit alcohol consumption.
  - Monitor each employee’s consumption of alcohol.
  - Avoid having an open bar, or allowing employees to serve themselves.
  - Provide drink tickets and forbid sharing.
  - Limit hours that the bar is open.
2. Provide ample food and a selection of non-alcoholic beverages.
3. Prohibit potentially dangerous activities during the event, such as drinking games or other games that promote or encourage alcohol consumption.
4. Provide each employee with transportation home (i.e. taxi cabs), or accommodations if they have to travel a long distance.

**After the Party**

1. Where there has been a breach of company policy or directive, take appropriate, consistent action with employees, including management.
2. Update company policies where necessary.

**The Last Word**

Given the special relationship that exists between an employer on the one hand, and its employees and guests on the other, employers are always best served to strictly prohibit the consumption of alcohol at company-hosted or sponsored events. Lawrences’ Employment & Labour Law Group has considerable experience assisting employers in drafting appropriate policies and handling legal liability situations.



*Damien Buntsma leads Lawrences’ Employment & Labour Law Group. He represents and advises public and private sector employers, unionized and non-unionized, in all areas of labour and employment law. Damien can be reached at 905-452-6876 or dbuntsma@lawrences.com*

**In this issue:**

Festivity or Liability? 1

Enforcing Judgments 2

Who Owns That Tree? 3

Life at Lawrences<sup>®</sup> 4