

What is the Faithless Servant Doctrine in Employment?



The Faithless Servant

Doctrine allows employers to claw back compensation paid to an employee, including salary, commissions and/or bonuses.

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Doctrine may apply if the employer can show that the employee, during the course of their employment, engaged in repeated acts of disloyal conduct.

Examples of disloyal conduct that have been found to be actionable are generally acts against the employer's interest such as

embezzlement, improperly competing against the employer and/or usurping business opportunities. In order to give rise to a claim under the Faithless Servant Doctrine, the employee's conduct is generally such that it substantially and materially impacts the employer's business or rises to the level of a breach of the duty of loyalty or good faith.

If the Faithless Servant Doctrine is found to apply, an employee may be required to **forfeit all of their compensation** (salary, commissions and/or bonuses) received during the time period that the employee engaged in such conduct, regardless of whether the employer can prove damages.

To find out more about the Faithless Servant Doctrine and how this may affect your employment and business opportunities or to find out what your rights and obligations are to your current employer [click here](#).