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FEDERALLY REGULATED EMPLOYERS IN CANADA FACE NEW PAY EQUITY, EMPLOYEE PROTECTION REQUIREMENTS

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Federally regulated employers in Canada will need to develop a proactive pay equity plan and face new requirements related to leave and other employment protection under a new pay equity law ([C-86](#)). The law will take effect on a date fixed by order of the governor in council.

PAY EQUITY

The law, which applies to federally regulated public and private sector employers with 10 or more employees as well as ministers' offices:

- Requires employers to establish a pay equity plan within three years of becoming subject to the act that:
 - Indicates the number of employees
 - Identifies job classes within their workplace
 - Indicates the gender predominance of the identified job classes (for example, female or male predominant, or gender neutral)
 - Evaluates the value of work performed by each job class
 - Identifies the compensation associated with each job class
 - Compares the compensation associated with female-predominant and male-predominant job classes of similar value
 - Sets out the results of the comparison and identifies which female-predominant job classes require an increase in compensation
 - Identifies when the increases in compensation are due
 - Provides information on the dispute resolution procedures available to employees
- Requires employers to review and update the plans at least once every five years to identify and close any gaps that may have emerged

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- Requires employers to post notices setting out their obligations and reporting on key milestones in fulfilling these obligations
- Requires unionized employers, as well as nonunionized employers with 100 or more employees, to establish a pay equity committee to develop or update the pay equity plan (Employer, union, and nonunionized employee representatives would all be members of the committee.)
- Provides employees with the opportunity to comment on a proposed pay equity plan (or update) and require that any comments be taken into consideration before finalizing the plan
- Establishes a pay equity commissioner within the Canadian Human Rights Commission to administer and enforce the act through:
 - Required annual reports from employers on their pay equity plans
 - Mechanisms to enable the review or appeal of the commissioner's decisions
 - Introduction of an administrative monetary penalty system to promote compliance

LEAVE, FLEXIBLE WORK AND EMPLOYMENT PROTECTIONS

The legislation includes numerous changes related to leave, vacation entitlements, flexible work and employment protections. These changes will come into force gradually over the next year or so to allow time for the development of regulations and the training of labor program inspectors, and to raise awareness among employers and employees. Key provisions:

- Eliminate minimum service requirements for general holiday pay, sick leave, maternity leave, parental leave, leave related to critical illness and leave related to death or disappearance of a child
- Change parental leave to encourage the second parent to take leave and support equal parenting by:
 - Revising employment insurance rules to provide an additional five weeks for the 35-week option or eight weeks for the 61-week option
 - Eliminating restrictions on the allocation of leave between parents, subject to each parent taking the required minimum
- Introduce a new five-day personal leave each year, of which three days will be paid
- Introduce 10 days of leave for victims of domestic violence, of which five days will be paid
- Improve access to medical leave by allowing it to be taken for medical appointments, clarifying that it covers organ or tissue donation, and restricting employer requests for a certificate for leave to three or more consecutive days

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- Introduce new unpaid leave for court or jury duty
- Add rest breaks — unpaid rest breaks of 30 minutes for every five hours of work, a minimum eight-hour rest period between shifts, and unpaid breaks for breastfeeding, pumping breastmilk or medical reasons
- Require employers to provide employees with at least 96 hours' advance notice of their schedules
- Reduce the eligibility criteria for three weeks of paid vacation to five years' service, down from six
- Entitle employees to a minimum of four weeks of paid vacation after 10 or more years of service
- Require employers to pay casual, part-time, temporary and seasonal employees as much as their full-time counterparts
- Protect temporary agency employees from unfair practices, such as being charged a fee for being assigned work
- Require employers to inform employees about their rights, entitlements and conditions of employment and their employment or promotion opportunities
- Prohibit employers from misclassifying employees in order to avoid employer obligations or deprive employees of their rights
- Provide that employees' length of service will be continuous in cases of contract retendering within the federal private sector, or when their employment is transferred from a provincially regulated employer to a federally regulated employer
- Provide that employees must be allowed to seek reimbursement of work-related expenses
- Increase the minimum age for work in hazardous occupations from 17 to 18 years
- Provide that in situations where 50 or more employees are being terminated, employers can provide pay in lieu of the required 16-week group notice, or a combination of notice and pay in lieu, and provide employees with eight weeks' notice of termination or pay in lieu
- Require a graduated notice of individual termination to be linked to an employees' length of service (For example, employees who had been continuously employed for between three months but less than three years would be entitled two weeks' notice or pay in lieu of notice, or a combination of notice and pay in lieu up to eight weeks for employees with more than eight years of continuous employment.)
- Require employers to inform terminated employees about their termination rights

RELATED RESOURCES

- [C-86](#) (Canadian parliament, 13 Dec 2018)
- [News Release](#) (Employment and Social Development Canada, 13 Dec 2018)
- [News Release](#) (Employment and Social Development Canada, 13 Dec 2018)
- [News Release](#) (Employment and Social Development Canada, 26 Sep 2018)

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